

Mr. Smallwood Well, I do not like being brushed off, but I have an intense dislike to being insulted, strange maybe.

Mr. Chairman Just a moment, Mr. Smallwood, so that I can deal with the propriety or otherwise; why do you feel that you are being insulted because Mr. Higgins has asked you where the additional roads are coming from?

Mr. Smallwood I was not referring to that. I do not regard that question as an insult. I regard this as an insult: I spent from 2:30 to 5:30 pm explaining these points, then to be asked by a gentleman who sat here three or four feet from me right throughout that period ... all these same questions over again. It is insulting to me.

Mr. Chairman Mr. Smallwood, on that point I cannot sustain you. Whether or not Mr. Higgins was here, and if he is merely asking you to recapitulate or reiterate information you have already given the House, at the worst it can be merely construed as a waste of time; but I have no knowledge of Mr. Higgins being here at the time. I have to deal with the tenor or substance of his question.... I find nothing insulting in the question itself. Whether or not Mr. Higgins was here and heard that and is now asking for information that you have already given the House on Monday is something I am not prepared to rule upon.... If you don't mind, Mr. Smallwood, would you have any objection to answering Mr. Higgins' question?

Mr. Smallwood Mr. Chairman, in reply to Mr. Higgins I will now ask him a question. Will he please tell me what roads are being built in Newfoundland, what are budgeted for, how many were built in 1947, how many are budgeted for in 1948? And I have as much right to ask him as he has to ask me. He was a member of the Ottawa delegation, and I was a member of the delegation. Am I going to sit here, or stand here and be treated as though I was a stranger and he was a stranger? We were both up to Ottawa together. Now I will ask him the question. Please answer, Mr. Higgins.

Mr. Higgins Mr. Chairman, Mr. Smallwood made the budget, and there are no roads in the budget. Now Mr. Smallwood, will you tell me what roads were built here for the past 20 years, year by year, and name where they are, and what it will cost to maintain them, etc.

Mr. Chairman Mr. Smallwood, there is no

item in the budget or estimate covering roads as such, but indirectly you did raise the position by virtue of the fact that you did predicate your estimate of increased revenue upon the position that more and more roads are to be built in the passage of time.... Therefore I feel compelled to hold that while there is no direct reference to it, it is introduced into the picture by virtue of the fact that you predicate the higher figure upon the assumption that more and more roads will be built.

Mr. Smallwood Now I will answer Mr. Hollett, if he is ready.

Mr. Higgins Are you going to answer my question?

Mr. Smallwood No, I am not answering it, and I am not going to answer it. Let any man who was not on the delegation ask me an honest question, and I will give an honest answer.

Mr. Higgins All right, Mr. Smallwood, then you...

Mr. Smallwood If Major Cashin asks, he is a man, and I will answer.

Mr. Chairman Now, now, Mr. Smallwood.

Mr. Smallwood I am not going to be insulted. I have stood it for three weeks from a fellow colleague on the Ottawa delegation; he can sit back and discuss that delegation, and treat me as if I were a member of it and he was not. The whole country is talking about it. Now let Major Cashin ask.

Mr. Cashin Well, I am going to put it this way: I take it that Mr. Smallwood means that when roads are built they are going to be built out of capital, not out of current revenue. Is that right?

Mr. Smallwood That is under union.

Mr. Cashin Yes, under confederation, they are built out of capital.

Mr. Smallwood Yes.

Mr. Cashin Yes. That's just the point. Now if we go into union, if we ever do, and I don't think we will, there is supposed to be \$30 million roughly in cash in our accumulated surplus earned from monies owed by the Housing Corporation and individuals, therefore you take \$10 million of that money and you deposit it with the Canadian government, which is to be spent on current account only. That leaves \$20 million balance, which is supposed to be capital account, from which you would spend, I take it, to build these roads. Now there is over \$9 million of that