

What is to prevent all kinds of other products coming into Newfoundland from the Maritime region of Canada? Look at the figures in the Black Book, there are figures showing the actual tonnages of Newfoundland products shipped to Canada west of the Maritime region; huge quantities. What is to prevent some of them going to rail all the way, with a 20% reduction. Finally, this point was put to us by Mr. St. Laurent at a plenary session when we asked him did it apply to steamships, as a lot of our stock comes and goes out by water, and this 20% reduction on stock coming in and going out by rail would not help us much. He said, "Surely the railway operating between the mainland of Canada and Newfoundland would have to be cut in its rates by the competition it might have from steamers. Would your steamers not have to cut their rates by reason of competition from the railway?" You would have two means — rail and water, one is competing with the other; then the trade of the country would thrive.

Mr. Cashin On this point about the feeds originating in the west — I do not think they haul grain into Fort William or Port Arthur for nothing. The grain that comes from there, comes by water. Rail haul is much more expensive than waterhaul. That was why they gave that 20% reduction; they cannot compete with waterhaul. That is one point. Waterhaul is much cheaper than rail — 50% cheaper.

Mr. Smallwood Freights are free, all the way east or west, as far as they can reach ... completely free. No freight, whether by rail or by boat. No freight charged....

Mr. Cashin Does he mean to tell us that feeds coming from Fort William on the Canadian steamship line, they carry it for nothing?

Mr. Smallwood Not the steamship companies.

Mr. Cashin Who pays them?

Mr. Smallwood The Government of Canada.

Mr. Chairman I thought there was a nigger in the woodpile. It is a form of government subsidy.

Mr. Smallwood It is a form of government subsidy to encourage stock raising; there is no nigger in it.

Mr. Cashin You should make it clear; if you had said it was subsidised, that would be different. You were telling us it was coming down free. It comes at a cost to the taxpayer.

Mr. Smallwood A consumer is one thing and a

taxpayer is something else. If you put a thing aboard a train, and if you prepay the freight, you pay 20% less than the regular rate....

Mr. Crosbie I appreciate all Mr. Smallwood has said. I have not a copy of the act whereby the feeds are brought down free. He says there is a separate act. That act is not mentioned. We are told this is official. That act is not here.

Mr. Smallwood We will get it.

Mr. Chairman Except that it says "the Island of Newfoundland will be deemed to be within the Maritime region of Canada." And any legislation of the Parliament of Canada, such as the Maritime Freight Rates Act, will apply.

Mr. Ashbourne In reply to Mr. Crosbie, I would ask him to look up the Black Books, appendix 10, there is a brief statement there about that.

Mr. Crosbie It is the act I am looking for. I am asking for the one Mr. Smallwood is talking about. *[The committee rose and reported progress, and other orders of the day were deferred]*

Mr. Smallwood I give notice that I will on tomorrow ask His Excellency the Governor to ask the Government of Canada for a statement of the changes that will occur in the tariff and excise figures as a result of the Geneva agreements, and to apply these changes particularly to the items listed on pp. 126 and 138 of the Report of the Ottawa Delegation. Also to ascertain the practice in connection with insuring persons, as to whether they would be obliged to go to other provinces to accept employment; and to ascertain from the Government of Canada whether the existing special low rates charged to fishermen travelling between Newfoundland and Labrador would be continued in the event of union.

Mr. Job I hereby give notice that I will on tomorrow ask His Excellency the Governor in Commission whether, in view of persistent rumours to the effect that the Government of Great Britain do not intend to place on the forthcoming referendum paper the continuation of Commission of Government, even if a majority or minority of the delegates to the National Convention recommend that it should be included, His Excellency the Governor in Commission will ascertain and definitely inform the Convention at the earliest possible date as to the truth or otherwise of the persistent rumours referred to.

[The Convention adjourned]