

are two statements to which I would direct your attention. "This matter", it says, the matter of Gander, "was also taken up with the Dominions Office by the British delegation on its recent visit to London. The result ... effected, as you are aware, savings to the treasury of the country of some \$500,000." That, as I understand the situation, is not at all in accordance with the facts, which are these: that before the London delegation went across the Atlantic at all the Newfoundland government announced that a special commission was coming from the Ministry of Civil Aviation in London to inquire into Gander, and a statement would be made. The statement was made, namely, that the British government would absorb two-thirds of the operating loss on Gander, and the Newfoundland government would absorb the other third. So it was not the result of any work or suggestion of the London delegation whatsoever in any shape or form that this arrangement was made.

The second point is this: "For", it says, "if we were rid of this airport liability it would effect a further saving of not less than \$750,000 in our annual expenditure." I don't follow that at all. The total operating loss at Gander is estimated to be \$750,000, of which \$250,000 is to be paid by the Newfoundland government. Not three quarters, but one quarter of a million dollars, unless, in that sentence, the Committee wishes to convey the thought that the capital expenditures being made at Gander in the last two years are going to continue indefinitely, and therefore, with capital expenditure on the one hand and that \$250,000 on the other it comes to \$750,000.

On page 10 the Committee gives us its estimate of the government's expenditure for three years to come, and the amount is roughly \$25 million. They have brought it from \$27.25 million, which they tell us is what the present government is now spending on ordinary account, ... to roughly \$25 million, and they have brought it down by saving \$1.25 million in the operation of the Railway, \$1 million in servicing the public debt, and \$750,000 for Gander. Now that \$750,000 for Gander, just how they get that I will ask the chairman to explain before the debate is over, but even allowing for all that it stands at \$25 million. Then we find them estimating a revenue of roughly \$30 million a year for the next three years. That would be a surplus of

\$5 million a year. Incidentally, I hope that estimate of a surplus ... is at least a little more accurate and better founded than the estimates of all the finance ministers from 1920 to 1932, but assuming that it is, we then find the Committee having glorious fun for itself.

It is always fun to spend money, and they start out to spend that \$5 million a year for those three years. What are they going to spend it on? Additional old age pensions — \$600,000 a year for three years. Fishermen's and mariners' insurance — \$400,000 a year for three years. Encouragement of tourist traffic by building roads from Port-aux-Basques to Corner Brook, linking up Grand Falls and Gander, also Lewisporte with Gander, total \$1 million a year for three years. Further encouragement and development of the fisheries, particularly fresh fish — \$1 million a year for three years. Local public works — \$500,000 a year for three years. Mercantile marine, ... — \$500,000 a year for three years, and Railway capital expenditure, including rail relaying of entire system — \$1 million a year for three years. Total, \$5 million a year for three years.

Now number one, that \$5 million is a purely hypothetical sum of money. It does not exist, only in a man's mind.... The first question is this: we spend \$600,000 a year on additional old age pensions for three years. What about the fourth year? Do you cut it out or stop it? Are you going to give old age pensions only if you have a surplus? Must our worn out toilers wait until the government has a surplus before you increase old age pensions? Is it something that you think of only when you have spent all your money, and if you have everything you can think of, and you have a bit left over, well then you will give the worn out toilers a little bit more, out of a surplus, not an ordinary expenditure at all, but just purely a surplus?

What are you going to get with \$1 million for three years in building roads?.... \$3 million won't build much more than one quarter of the roads you are talking about. You are going to spend too, out of that surplus that we have imagined, on encouragement of the fisheries, and particularly the encouragement of the fresh fish industry, \$1 million. What will \$1 million a year do? You will have to spend \$10 million if you are going to put the fishery on its feet. What are you going to do with the people on the north side of Bonavista