

the information now and if the Convention desires it, we will be only too happy to produce the original documents handed us by the Railway management and containing the Railway management's own estimate of \$72 million as being the value of the Railway.

Mr. Higgins Mr. Smallwood did say that one of the questions we would be asked was what was the value of the Railway. The value was ascertained. Now he says, "Do not let us fool ourselves as to the value." Whom were we fooling then, was it ourselves or Canada?

Mr. Chairman I am not interested in that. I am asked to pronounce upon whether or not Mr. Smallwood has said he had fooled the Canadian government. He has not made that statement, he did say the figure of \$72 millions was obtained from the Railway and that he personally believed it to be an inflated figure. That is as far as I am prepared to go.

Mr. Higgins What was the inference?

Mr. Chairman I am not concerned with inferences. The point of order raised was whether or not he had stated he had fooled the Canadian government.

Mr. Hollett You have seen only one small excerpt of a two hour speech.

Mr. Chairman I will adjourn the House until it is obtained.

Mr. Smallwood I do not suggest we adjourn, but I would ask that the transcript be produced — not today, but in a couple of days' time.

Mr. Chairman I will order the transcript produced.

Mr. Cashin I would suggest that since this information has been gotten from someone in their official capacity at the Railway, the original copies of these valuations with the official signature be tabled here for the information of the Convention.

Mr. Chairman These documents are Convention property and if they are in your hands, Mr. Smallwood, or in the possession of anyone, I must ask you to deliver them to the Secretary with all possible speed.

Mr. Fudge I am sorry to have caused so much confusion. I have not much left to say, but I would like to make this comment. Mr. Smallwood did say he was trying to convince the Canadian government that Newfoundland was sitting on top of the world. I put it to you, how many times

has Mr. Smallwood said in this chamber that we were down and out, that we were serfs?

Mr. Smallwood I never said that.

Mr. Fudge You did. You also said we were a hundred years behind the times. If he told the Canadian government what he did not believe to be correct, how can we accept other things he might tell us?

Mr. Chairman He delivered over official figures which he personally believed to be inflated.

Mr. Fudge If these reports are incorrect in that respect, cannot they be incorrect in other respects? I am inclined to use the words of Mr. Smallwood himself regarding another report, "These Canadian reports are not worth the paper they are written on."

Mr. MacDonald After listening to the eloquent and sometimes somewhat lengthy speeches from the gentlemen who preceded me, it is with some hesitation I rise to speak on the report which generally speaking reflects great credit on the chairman of the Committee.... I may say it shows a certain amount of optimism which I cannot wholly share. Take as a precedent what happened after World War I — it may not happen again, I hope it will not, but affairs in the world at present do not tend to foster a wholly optimistic view. I hope you do not think I am not an optimist. They say the difference between an optimist and a pessimist is that the former sees the doughnut and the latter sees the hole. But there is always the little word "caution". I do not know what Mr. Smallwood would mean by realism, but I know it is a hard word to utilise in foretelling the future.

There are a few questions I would like to ask and a few points I would like to mention. Page 2, "Today therefore, we can definitely state that Newfoundland's capital account shows a surplus in cash of \$35 million." In fairness to the Committee I want to call their attention to a statement made in one of the local papers asserting that for the year 1947-48 the accumulated surplus was \$28,789,000. These are the figures according to the budget speech. May I ask Major Cashin to explain how the difference has arisen?

Page 6. With the establishment of a mercantile marine I am in full agreement. As far as I can ascertain millions of dollars are being sent out of this country in this connection. There must be some hitch somewhere or our shipping firms