

agreed to build it to cost.

Mr. Cashin Let us forget that building it to cost. It was the greatest scandal in Canadian public life.

Mr. Smallwood It cost hundreds of millions of dollars.

Mr. Cashin It cost \$50 million in grants — the Grand Trunk Pacific.

Mr. Smallwood If Canada was to become the great nation she is, they had to build it.

Mr. Higgins What is the value of our railway now?

Mr. Smallwood What is it worth to Canada?

Mr. Higgins If Canada did not have it and had to put it here?

Mr. Smallwood What would it cost? I do not know — \$30 or \$40 million, I do not know. I am not a cost accountant nor an engineer; nor do I know what it would cost to put a railway here today.

Mr. Higgins Then why did you say the figures we gave Ottawa are not correct?

Mr. Smallwood Because the figure of \$73 million is allegedly the value; not the value.

Mr. Chairman That is not quite correct. I will have the transcript brought in here.

Mr. Smallwood I do not know what the Newfoundland Railway is worth from the standpoint of even the government value. I do not know what it would cost to build a railway, or what you would get if you were selling it. I only know, as Major Cashin knows, roughly what it cost the treasury of Newfoundland up to date for us to have the railway we now have. We paid dearly for it.

Mr. Higgins You agree we got the figures from the Railway management?

Mr. Smallwood Yes.

Mr. Higgins Is it correct that you cannot dispute them as being accurate?

Mr. Smallwood I am not going to be cross-examined as in the Supreme Court by a King's Counsel; nor am I going allow myself to be trapped by leading questions of that kind. I do not believe the Newfoundland Railway is worth \$73 million. If it cost \$80 million, that does not say it is worth that.

Mr. Chairman The Railway have evaluated their assets at something like \$72 million or \$75 million. In reply to Mr. Higgins, you personally think it is an inflated figure?

Mr. Smallwood Yes, and we are wasting an awful lot of time. Could I be blamed, this time, for holding this thing up?

Mr. Higgins What is the value of the Gander airport, in your opinion?

Mr. Smallwood If you had to start from scratch, it would cost \$30-35 million. If you were to sell it to some commercial enterprise, I am afraid you would get precious little. Whoever buys it, is buying a thing which has to be operated at a loss.

Mr. Higgins What do you believe it is worth?

Mr. Smallwood I am not going to answer any more questions. I am not in a witness box. I am not being cross-examined by a distinguished King's Counsel.

Mr. Chairman The answer is, you are unable to answer it?

Mr. Smallwood Yes.

Mr. Chairman It is just as well to avoid confusion and useless argument. You cannot naturally be expected to answer whether or not anyone is prepared to purchase Gander; when you get into that, you are into the realm of speculation and conjecture. As far as I am concerned, it boils itself down to this — Mr. Smallwood is not in a position to answer your question.

Mr. Higgins Mr. Smallwood, as chairman of the Transportation Committee, I understand the figures on the cost of Gander were in the vicinity of \$40 million.

Mr. Smallwood I have no comment.

Mr. Higgins If I do not address myself to Mr. Smallwood, I do not know to whom I am going to address myself on these matters.

Mr. Chairman Assume it cost \$40 million, then unless the values have altered materially one way or the other, for all practical purposes, we must assume, were we to replace Gander airport tomorrow, it would cost approximately \$40 million. If we are going to depend upon the realisable value, we must also depend upon whether or not anyone is prepared to buy; and if so upon what terms and conditions. Since we have no knowledge of that, I do not think it is possible to determine the realisable value.

Mr. Higgins What would you believe to be the value of the Newfoundland Hotel?

Mr. Chairman I have not the remotest idea.

Mr. Higgins And the public harbours, wharves and so on? You do not know that either, I suppose. I give in. I cannot get the information, I am