

functions are those that encroach on federal rights, mainly the controlling of exports.

Another alarming result of union with Canada is the statement contained in section 9, subsection 3 of the Grey Book. I'll read it, it's a honey: "No part of the surplus shall be used to subsidise production or sale of Newfoundland's products in unfair competition with similar products of other provinces, it being understood that this proviso does not preclude assistance to industry by such means as developmental loans on reasonable conditions or by ordinary provincial administrative services." Now Mr. Chairman, the substance of this particular section conveys to me at least that the Canadian government will do everything it possibly can to prevent any serious competition from our fishing industry. This is not the first time that Canada has shown its feelings with regard to our fishery. The Bond-Blaine treaty has been dealt with many times in this chamber and outside, so it's not necessary for me to go into further details on it. I only wanted to point out that it has been one of our fondest hopes that our fishery should be developed along modern and scientific lines, and there are many cases where government assistance would be of the utmost value. But the Canadian government, in these proposals, tells us that we will not be permitted with our own money to further develop our industry. I would like to take your minds back to last September and October, when it was necessary for our government to use approximately \$7 million in order to obtain foreign exchange to pay for Newfoundland fish production of 1947. I wonder would this be called a subsidy? Or would it have another name?

Mr. Smallwood It's not a subsidy.

Mr. Crosbie It's all according how you look at it, Mr. Smallwood, and I'm not in the Canadian government. I know what I'd do if I was there. I'd call it a subsidy.

Gentlemen, I'm not interested in baby bonuses. They may be good, they may be bad, but they are something for which our people must pay. I am only interested in the life-blood of this country, which permits individuals to make a living. Let's assume that a fisherman with four children under 16 receives \$288 baby bonus. What good is it to him if our marketing system is gone? The price of fish falls, and he receives only \$5 a quintal where he might have received \$10 on say 100

quintals of fish. I am confident that at the moment we enter confederation our Fisheries Board, our whole system of marketing that has been built up at considerable cost by the government, will be demolished overnight, and that we will have the chaotic experience of the early twenties and the early thirties, when so many of our people are depending on this for a livelihood. Let's go back again to last September and October. The catch for 1947 was roughly 1.1 million quintals, and I am sure that if the \$7 million had not been used to make exchange available, and if we hadn't had the system of marketing that we have today, the price of fish would have fallen at least \$5 and might have been on sale. Let's assume it dropped \$5 — \$5.5 million, gentlemen, that was our baby bonus gone overboard right away.

All this being so, I cannot see what we can possibly gain from federal union with Canada. We may even lose many of the advantages we now have. To summarise, gentlemen, it is my firm and considered opinion that under union with Canada we will bring about the following: the abolition of the Newfoundland Fisheries Board; two, the abolition of compulsory inspection and control of exports which have been so beneficial in the last few years; three, the bait system as a government facility, as the province could not afford to maintain the cost; four, we would be under the dictates of Ottawa with regard to the export of our fresh fish; five, we would be deprived of the power to negotiate our own trade agreements with any country, and particularly with the USA which could be so essential to our economy today; six, we would lose assistance from England in our current fish arrangements, thus running a great risk of losing our European markets; seven, the loss of the use of our surplus for anything by way of subsidy, particularly if we wish to use it for subsidising exchange as was done last fall. Mr. Chairman and gentlemen, in view of this I say honestly, I feel this very definitely, I say to you all and to the country, think and think well before we vote to enter union with Canada.

Mr. Ashbourne Mr. Chairman, I'd like to make a few remarks on the proposals now before the Chair. Having had the honour of being a member of the Ottawa delegation I think that with the knowledge gained during our stay in Canada I can speak with a certain degree of assurance and