

your customers, to parcel it out, give them all a little bit, try to keep them going. Now what I want to know is this...

Mr. Chairman Excuse me Mr. Smallwood, are you going to address some questions now?

Mr. Smallwood Well sir, it is a question, whether the chairman of the Finance Committee, Major Cashin, cares or whether all the members of the Convention care or whether the people of Newfoundland care to answer it in their own minds; it's an oratorical question, if you like. To be satisfied in my own mind, what I want to know is this. From 1900-1947, there is the story of Newfoundland. From 1947-2000, or to 1997, for the next 50 years, what are the prospects of more windfalls? Are there any more paper mills, any more Buchans mines? Are there any more branch railways that can be started? Or if not, must we wait for more world wars? Must the whole world be deluged in blood so that we may prosper? What windfalls may we fairly and honestly expect in the next 47 years to make us equal our condition in the last 47 years?

Mr. Chairman Mr. Smallwood, I am reluctantly compelled to remind you that we're now discussing the Financial Report tabled in the House. Prognostications as to the future economic potentialities of the country might properly arise out of the Economic Report. As far as I'm concerned, there is no such report.... I must therefore request you to confine yourself to the report itself, rather than to go outside of it and ask questions which are not covered, or not intended to be covered, by the report. What the future holds for us is at this time, not a proper matter for comment.

Mr. Smallwood I will abide by your ruling there, sir. I would like to point out, a propos of the finances of the country to date ... that in the time that I've been alive, our population in Newfoundland has increased to be half as much again as it was the day I was born. It's increased 50%. But in the same 47 years, our exports have increased six times.... But, and here's the but, the expenditure of the Newfoundland government is now 19 times greater than it was the year I was born. Let me repeat that. Our population has increased half as much or more as it was when I was born. Our exports have increased six times. But our government, our government is taking 19 times as much from us in taxation as they took from us 47 years ago. Now what I'm going to

suggest therefore is this: that we can't stand it. They're taking too much from us. In the last three years, they've taken over 51%, over half the value of all our exports.

Mr. Chairman Is that opinion?

Mr. Smallwood It's opinion, sir, yes.

Mr. Chairman ... is that opinion predicated upon the contents of the report itself?

Mr. Smallwood Yes sir, indeed.

Mr. Chairman It is predicated upon the report?

Mr. Smallwood Indeed it is, sir. It's predicated upon the figures and facts contained in the Finance Report. I have summarised the statistics given in the report and drawn from them a deduction. I've made an interpretation of them. That Newfoundland has now come to the point where she must either reduce expenditure or she must increase the value of her exports; that today government expenditure is eating up too much of the value of what we produce. That today in Newfoundland the government is too heavy a burden on us. We can't carry it. And either they must reduce the burden of taxation, or they must increase the value of our exports. Now can we do that? That is a matter that will come before us, as you have suggested, when the Economic Report is presented. I don't propose to try to guess or estimate what we can do in the future. But I do pose this problem now that faces us, that must be solved. Namely that Newfoundland is in what my friend Mr. Keough would call an extremely vulnerable position when just this past year 60% of the total value of all our exports was taken by the government and spent on public services. We must reduce the cost of government or we must increase the value of our wealth production in Newfoundland. Now sir, I don't know what the intentions are. All this talk...

Mr. Cashin Carry on to 6 o'clock anyhow.

Mr. Smallwood All that I have been saying this afternoon is nearly one point. And it's a long time, you may say. But in justice to me you'll admit that Major Cashin wished to clear up some of the observations I made as I went along. I have another point to make, which I would not like to make today and I was hoping that I would have an opportunity of making it, an extremely important point which might take as much as 20 minutes or a half an hour to make. Sir, I haven't got my notes by me, and if I were to do it, we would be in the position where no one else would have