

dark and gloomy side, and the people of Newfoundland want to hear it. I want to hear it now. (Cries of "Hear! Hear!")

Mr. Chairman The motion is that the committee rise and report progress, and ask leave to sit again tomorrow. Is the Convention ready for the question? Those in favour say "aye", contrary

"nay". I can't decide. Division of the House.... All those in favour of the motion, stand — 25. All those against the motion, stand — 6

[The committee rose and reported progress, and the Convention adjourned until Monday, December 8]

December 8, 1947

Mr. Smallwood Mr. Chairman, I give notice that I will on tomorrow ask His Excellency the Governor in Commission to ask the Government of Canada if they would assist the National Convention in its consideration of the proposals for

union by explaining in some detail the basis of computation of the table in Annex IV, showing probable federal revenue from Newfoundland in the event of union.

Report of the Ottawa Delegation Proposed Arrangements for the Entry of Newfoundland into Confederation Committee of the Whole

Mr. Smallwood Mr. Chairman, we adjourned on Thursday last with the thought that today we would deal with prospective expenditure and revenue of the government of the Province of Newfoundland, should we become a province of Canada. It was understood that I would bring in today some figures and statistics that might indicate generally the expenditure that the provincial government would need to make, and also the revenue that it might expect to take in to meet those expenditures.

On their desks, members will find the first part of that estimate,¹ namely the probable expenditures of the provincial government of Newfoundland. On the revenue side I have not, as yet, had the figures mimeographed. I have them here in front of me. Before we can get to a consideration of the revenue side they will be mimeographed and placed on the desks of the members. I ought to make one or two points clear before we come to an examination of the expenditure table.

The first point is this: that confederation does not mean that Canada would take Newfoundland over and run it, because Canada is a federal union of nine provinces — Newfoundland would make the tenth. A federal union, wherever it does exist in this world, means only a sharing or dividing of responsibilities and powers; so that confederation would mean that the powers which our government now has would be divided. We

would have some powers, and the Government of Canada would have some, and the responsibilities and burdens our government now has would be divided. Our government would carry some of the burdens and the Government of Canada would carry some. Now, confederation may or may not be a good thing for this country. One thing, however, is fairly clear, that if there are advantages from confederation for the people of Newfoundland, confederation is still not a good thing if the government of the Province of Newfoundland is not able to pay its way. Or put it this way: we might get many advantages from confederation. These advantages might be considerable, but they will all fall by the way if the government of the province is not able to collect enough revenue to pay the cost of those things which the government of the province would still have to do, even with confederation. Not only that, the government of the province must be able to pay its way without imposing too great a burden of taxation on the people; without costing the people too much in taxes; and again without stinting on those public services, which the government of the province would have to carry.... The government of the province would still have its public services to render to the people of Newfoundland. Confederation, therefore, to be of real benefit, must not only give the people of Newfoundland certain advantages and benefits from the Government of Canada; it must

¹The detailed projected provincial budget submitted by Mr. Smallwood could not be found. See Volume II:522 for a budget reconstructed from the debates and newspaper reports.