

would be prepared to change say, a certain clause not dealing with finance, such as education, do you think the government would not send back a reply at once saying whether that was final or whether they were prepared to change it? Would that be bargaining? Would that be negotiating?

**Mr. Hollett** Another thing I would like to ask. These speeches are very enlightening. We have occasion to refer to them many times. On page 15,<sup>1</sup> Mr. Bradley says, "We believe we possess at least the basic possibilities of enduring prosperity." I want to refer to that.

**Mr. Smallwood** Why not read the whole paragraph?

**Mr. Hollett** I might be asked to read the whole book.

**Mr. Smallwood** That is distortion. You are not reading the whole sentence. You are beginning in the middle of something.

**Mr. Hollett** Mr. Chairman, would you tell me where I have to start to read a sentence? "We believe we possess at least the basic possibilities of enduring prosperity; if once we come by the type of government that will be a help rather than a hindrance to sound development." I want to ask Mr. Smallwood does he honestly believe we possess at least the basic possibilities of enduring prosperity?

**Mr. Smallwood** Indeed I do.

**Mr. Hollett** I want to ask him what is meant by that?

**Mr. Smallwood** ....If it means anything, it means this, a government that will give us free trade, take off customs duties on things going into basic industry, bring down cost of production and bring down cost of living. That is what that means. The kind of government that will give us free trade and thereby help, not hinder sound development.

**Mr. Hollett** I take it the Commission of Government which we have now, who in accordance with the report of Mr. Howell about reduction of duties are endeavouring to reduce taxes, they are not the proper form of government?

**Mr. Chairman** That is a statement made by Mr. Bradley, not by Mr. Smallwood. I do not know, in fairness to Mr. Bradley, whether his alleged antipathy towards Commission of Government should be stated here. It is capable of almost any

construction.

**Mr. Hollett** Did I say anything about alleged antipathy?

**Mr. Chairman** ....The tenor of your question was whether Mr. Bradley regarded Commission of Government a hindrance rather than a help.

**Mr. Hollett** I asked Mr. Smallwood if he thought so.

**Mr. Smallwood** I certainly regard Commission of Government as a hindrance in development. They are not giving us free trade, they are still keeping on duties. If you are referring to the international multilateral trade agreements made between 23 countries, they have fallen in line with 22 other countries. You cannot credit the Commission government with that.

**Mr. Hollett** Could you tell us a form of government which will give us free trade?

**Mr. Smallwood** Free trade with one other unit of the world? You can have free trade with all the nations of the earth — you can have it with the United States, if you became part of it; you can have it with Canada, if you become part of it; you can have it with Great Britain, if you become part of it. Read the whole paragraph. We are distorting this paragraph. We are lifting a bit out of it and debating that bit. The paragraph reads:

In the 42,000 square miles of Newfoundland herself, and the 110,000 square miles of our Labrador, we believe we possess very great possibilities of development and expansion along industrial lines. We have lacked the capital and the adequate population — and here I am thinking of numbers — to develop our natural resources to anything more than a token of what we believe they might be. We believe we possess at least the basic possibilities of enduring prosperity, if once we come by the type of government that will be a help rather than a hindrance to sound development. We are wondering frankly whether confederation is that type of government. We are here, with your sympathetic and understanding co-operation, to see if it is. Our fellow countrymen in Newfoundland are following our movements with very deep interest.<sup>2</sup>

**Mr. Hollett** "We have lacked the capital and the adequate population". I would ask Mr.

<sup>1</sup>Bridle (ed.), *Documents on Relations Between Canada and Newfoundland*, Volume 2, Part I, p. 528.

<sup>2</sup>*Ibid.*