

the highest proportion yet.

Mr. Higgins \$50.

Mr. Cashin That's not my point. My point is this: This delegation went to Ottawa to get terms, or what would be a good base to go into confederation. If you and I are going into partnership, the first thing I will say to you is, "Now what have you got?" And you will say, "Cashin, I owe \$100"; I will say, "I owe \$50", consequently I am \$50 better off than you. Now Canada owes roughly \$1,300 or \$1,400 per head, and Newfoundland owes \$150 per head. Now we are going into business with Canada, and according to this thing here, we are going to forget our indebtedness of \$150 a head and take on an indebtedness of \$1,300 or \$1,400 a head. That does not sound like good business to me. In 1895, if my memory serves me right, a delegation went to Ottawa and was there 11 days, and that's where that \$50 a head came in, and the Canadian government had a less per capita debt than Newfoundland, and our people here, because Canada would not take over \$5 million of our debt, refused to go into confederation at that time. Now the boot is on the other foot. The position today is that Newfoundland has a net per capita debt say of \$150 per head, and Canada has \$1,300 per head. It is more than that I think, and consequently the difference between the two is \$1,150. Now if you multiply \$1,150 by 320,000 people, you will find that if we carried out their agreement, or the arrangements in 1895, that Canada would have to pay Newfoundland to go into confederation somewhere around \$350 million. The position now as I see it is that they are taking over our indebtedness of \$63½ million. What do they get for it? All Newfoundland, and all Labrador, the Railway and buildings and everything for \$63.5 million; a railway which cost \$72 million; all our public buildings, everything for \$63 million. I think that's poor business. Now apart from my prejudices with regard to confederation, I feel that this situation on the public debt is not a square deal.... They are going to take on a debt of \$50 per head, and we will take on a debt of \$1,300. Is it going to be easier to pay off \$1,300 than it is to pay of \$50? Other people may see it, but I can't. I will probably have more to say on this debate before it is concluded, but I want to know whether the delegation directly asked the Canadian government that question, whether,

based on our per capita debt, that they did not think that Newfoundland was entitled to the difference between \$150 a head and \$1,300 or whatever it may be.... In making up the estimates of expenditure — I have not looked at it — did you take into account the interest and sinking fund? That is \$350,000 added to the provincial expenditure, not included in the books. Do our interest and sinking fund go into the provincial budget study? It is not included in here, when those figures were made up of what the provincial expenditure would be. I would like to know whether the delegation asked the Canadian government what they were prepared to do for Newfoundland now in view of the fact that our debt is \$150 a head and their debt is \$1,300 a head.

Mr. Smallwood I am glad Major Cashin raised that point. He put it very well. Two men going to join a partnership. Major Cashin says, "What do you owe?" And one says "\$50". The other says, "I owe \$100". Difference of \$50. Something should be done about that, when they start in partnership. The Government of Canada owes per capita somewhere between \$1,000 and \$1,100.

Mr. Cashin A little more. They added to it a couple of days ago.

Mr. Smallwood A paltry \$300,000, temporary accommodation. It is like my going to the bank and borrowing \$30 or \$40. The per capita debt of Canada is \$1,000 to \$1,200, and our per capita is \$200 or somewhere around there. The difference is quite a bit. Therefore something should be done to compensate us for that. That is perfectly true. I hold something has been done. The Government of Canada has got to pay into Newfoundland, one way or another — some direct to the provincial government, and some to the people of Newfoundland direct. Some of it is for the performance of services for the people — running the railway, lighthouses, post offices, etc. The Government of Canada has got to pay something between \$10-15 million a year into Newfoundland.

Mr. Cashin Point of order. My question was, when you were talking to the Canadian government, did you or did you not put to them the question about the difference in the debt? I do not care what they will pay in here. If you did not ask them, well and good.