

the USA, it might be interesting information for all of us to know that even at the present time, Canada herself is seeking closer economic union with Uncle Sam. Canada finds herself, despite the fact that she shows a balanced budget, in the unfortunate position that for a period of nine months her adverse balance of trade with America comes to the huge sum of \$800 million. She has paid some of this indebtedness by the borrowing of \$300 million in America, the balance must be taken from her reserves of gold in the Bank of Canada, as well as the strictest carrying out of the present austerity programme — the increase of taxation on imports from the USA, all for the purpose of restricting the spending of money in America — in which programme Newfoundland is included through the Canadian banks doing business in our country.

Now, Mr. Chairman, after reviewing these Black Books and this Grey Book, and after reading Prime Minister King's letter to the Governor, that these are the best financial terms that the Government of Canada can offer to Newfoundland; I want to say to Prime Minister King and to the Ottawa delegation that these proposals are fraudulent; that, in short, they do not constitute a fair and equitable basis for union of our two countries. In order to make a fair and equitable basis for union it would be necessary that the debt question be properly adjusted; that Canada would pay to Newfoundland the difference between the per capita debt of Canada and the per capita debt of Newfoundland. In this instance it is approximately \$1,200 per head for every man, woman and child in our country. This would mean that Canada should pay to Newfoundland not less than \$300 million in cash before we could go into national partnership on a fair and equitable basis. We have been told by Mr. Smallwood that this debt matter was discussed at Ottawa, but there does not appear in either the Black Books or the Grey Book any reference to the matter. As a matter of fact, the national debt of Canada has been deliberately omitted from both, which to me, at any rate, is an indication that the purpose of these proposals is to deceive our people, and through the avenue of the proposed baby bonus, to lure our people into union with Canada, the representatives of which have not properly given us their own present financial position. It should have been unneces-

sary for the delegates to this Convention to have to direct questions on the financial position of Canada to our own government for replies from Ottawa. Answers to all these questions should have been available to us from the Ottawa delegation. But no, it has been proven beyond the shadow of doubt that the Ottawa delegation failed in its duty to this country, failed miserably. Instead of going to Ottawa as representatives of a proud and prosperous people, they went in a subservient manner, so to speak with their hats in their hands, begging from a country which at present has found it necessary to increase its taxation substantially and inaugurate an austerity programme, and which has been forced to appeal for financial assistance to the United States.

Now let us see where we would finally land ourselves from a financial and taxation standpoint, if we were to accept these so-called terms and become the tenth province of the Dominion of Canada. Mr. Smallwood has told us that our per capita tax would not exceed \$75 per head. Let us work this out properly. To begin with, the Canadian government would expect us, they would compel us to pull our weight in the entire Dominion boat. This means that the people of Newfoundland would be compelled to pay their proportionate share of the cost of administration of the federal government. I repeat again now, that the cost for every man, woman and child in Newfoundland, to pay their share in administering the affairs of Canada, would mean that each individual would be taxed directly and indirectly to the tune of over \$200 per head annually. It would mean that instead of the people of Newfoundland having to find, as at present under our own Commission or responsible government, some \$40 million in annual taxation to pay the cost of administering our country, or at the rate of \$120 per head, that we would have to find as a people an additional \$35 million in annual taxes or a total of \$75 million each year in taxation.

In addition to this taxation, we would have to find for the next ten years on average another \$8 million to pay for the administration of the proposed province. This money, we are told by Mr. Smallwood, will have to be collected by direct taxation. He has not explained what kind of direct taxation. As a matter of fact, he has not told us how these taxes are to be collected or from