

our paper — we are very fortunate in being able to sell America paper, because it gives us a lot of American dollars. We know that Canada has a shortage of American dollars, that does not reflect any weakness in Canada, nor would it reflect any particular strength in Newfoundland because she happened to have a surplus of American dollars. It's only a matter of having goods available which America wants and can take. How do we know that we can get these terms extended, if we turn them down now? If there's any doubt about being able to get better terms, then why not ask our government? There's been a lot of talk about governments negotiating instead of members of a delegation, so why not ask the Commission of Government to inquire and see whether or not Canada can improve upon the terms, and then we'd know for sure.

We would be part of a bigger country should we join up with Canada, and it is thought by some that within five years there may be economic union between Canada and America. I am not one who thinks that Newfoundland would stand much of a chance of getting economic terms from America separately from Canada. The Bond-Blaine treaty proved that to us.... Is it reasonable to think that America would do for Newfoundland and her people what she wouldn't be prepared to do with her largest customer — Canada? How far could Newfoundland get with the Bond-Blaine treaty when Canada stepped in and said, "What about our fishermen? What are you going to do for our fishermen?" And surely she had had as much right to look after the rights of her fishermen as the Newfoundland government had to look after the rights of hers? If there is any economic union coming between Canada and the States, we, if we were part of Canada, would certainly come in under it at that time.

Now, sir, if we can now barely balance our budget, what are we to expect except deficits and borrowing when the sunny days are over and our surplus reduced, and economic storms and world depressions beset our path? If our people now, with high revenues and high prices for paper, fish and minerals, can only moderately get along, how are they going to get along unless we can reduce taxation by ourselves? We have in Labrador tremendous resources, but unfortunately we in Newfoundland haven't the capital to develop them. Look at the three big companies which

operate in Newfoundland now — the AND Company, Bowaters and the Buchans Mining Company, how much of their capital came from outside? We have to look for outside capital to come in and help to develop these great natural resources. Some people consider that confederation is inevitable in time, but I say why not now? It has been said by Mr. Smallwood that we're about the size of a small city, split up into 1,300 communities. We have to find the communications, transport and facilities to run Newfoundland and give our people as good services as we possibly can. As I said before, if we can't do it with the millions that Canada is prepared to give us, however are we going to do it by ourselves? Some people are just waiting for the time to come to mark their ballots for confederation.

Now, sir, as regards provincial government taxes. We realise that if we become a province we shall have a smaller revenue than we have at the present time. But what will that mean? That will mean of necessity a closer watch on how these taxes are expended. We have had to cut the garment according to the cloth. And if taxes were raised clearly and squarely, no doubt they will be well spent because the people will take an interest in how they are being spent when they know exactly what taxes they are paying. I maintain the people do not know exactly how much taxes they are paying, except as a gross sum when we get the budget at the end of the fiscal year. I have reason to believe that a closer scrutiny will be exercised by our people and a closer watch on expenditure. If fairly applied and wisely spent, true value will be received by our people.... The government is put in the saddle by the people but the people are the final masters.

It has been said here that it would be criminal to accept these proposals. I can't understand that reasoning. Do members think ... that Canada would submit anything to us that would be criminal to accept? Nonsense! Now, if we join up with Canada, we would be within the great British Empire. I believe that we would make a tremendous amount of progress with Canada. The difference in the per capita debt of Canada and Newfoundland has been spoken of: yes, there is quite a difference. But look at the resources of the two countries, see them as you come across them, the broad expanse of Canada from the Atlantic to the Pacific. Look at her resources. The