

Canada in deciding whether to give more subsidy or not, and if so how much, would have to take into account what we were doing for ourselves; were we collecting a fair amount of taxes?.... The yardstick is how would taxation in Newfoundland six or seven years from now compare with taxation in the Maritime Provinces. That is not all. They do not say you have to have the same burden of taxation in Newfoundland as in the Maritime Provinces. What they say is, having regard to your ability to pay....

I do not know if there is anything else I need add. I do not know if there are any questions on this to be directed to the Government of Canada; if any member wants any more information, he can give notice of question.

Mr. Higgins This royal commission would be automatic?

Mr. Smallwood Yes, it is provided for in clause 14.... If there are no questions, I will pass on to clause 15.

15. *Representation.*

Representation of the Province of Newfoundland in the Senate and House of Commons of Canada will be in accordance with the British North America Acts, 1867 to 1946, as amended from time to time. Under the existing provisions, while the number of senators to which each province is entitled is fixed, the number of members of the House of Commons is determined from time to time on the basis of population, but in any case is not to be less than the number of senators to which the province is entitled. Under these provisions, the Province of Newfoundland will be represented by six members in the Senate and, on the basis of its present population, by seven members in the House of Commons.

It is fairly clear. Newfoundland would be entitled to full representation in the Senate by six senators who are appointed by the Governor-General of Canada for life.

Mr. Cashin A lot of them were appointed last fall.

Mr. Smallwood I have not got that far yet. They are appointed by the Governor-General; but perhaps I could appoint some senators — if everyone is very nice, I may say I want some special friends appointed to the Senate. You are appointed for life. You do not have to go out and get elected.

They get \$6,000 a year, paid by the Government of Canada. You would have to draw lots. In the House of Commons there would be seven members. These are not appointed. They are elected by the people and for that purpose Newfoundland would be divided into seven districts; they will be big districts, of course.... Members of the House of Commons are paid by the Government of Canada. They also get \$6,000 a year. If the government of the day in Canada happened to be Conservative, and if at least one man elected from Newfoundland was a Conservative, he would be a member of the cabinet. If the Government of Canada happened to be Liberal, and there was one elected Liberal from Newfoundland, he would be a member of the cabinet. It is an understood thing, it is not in the bond. As Newfoundland is such an important fishing country, the most important fishing country in the Canadian union, Newfoundland would automatically fall in for the job of Minister of Fisheries. I do not expect to be Minister of Fisheries.

Mr. Fudge What about Mr. Crosbie?

Mr. Smallwood Mr. Crosbie would make one. We cannot decide that here. If Mr. Crosbie wanted the job, he will be Canada's Minister of Fisheries a year or so from now. Incidentally, you can never have fewer MPs than senators. Prince Edward Island is only entitled to two members of Parliament, but she has four. She has four senators. No matter how small the population, you have to have as many MPs as senators....

16. *Transportation.*

(1) Canada will maintain in accordance with the traffic offering a steamship service between North Sydney and Port-aux-Basques, which, on completion of a motor highway between Corner Brook and Port-aux-Basques, will include suitable provision for the carriage of motor vehicles.

(2) Railway services and railway rates over the Newfoundland Railway will be subject to regulation by the Board of Transport Commissioners of Canada as are railway services and rates elsewhere in Canada.

(3) For the purpose of rate regulation:

(a) Through traffic moving between North Sydney and Port-aux-Basques will be treated as all-rail traffic.

(b) The Island of Newfoundland will be deemed to be within the Maritime region