

ing these documents.

Mr. Higgins Who are you?

Mr. Smallwood I am I. I am piloting this report and I am going to do it. You would like to throw the whole thing out. I can tell the whole story. If the Convention wants to hear the whole story, I can tell it.

Members Tell it!

Mr. Smallwood The country should know it.

Mr. Burry I represent the district of Labrador.

Mr. Higgins represents a district in Newfoundland. Maybe mine is not as important a district but it is my contention that my district has a right to know the contents of these documents.

Mr. Higgins has expressed himself to **Mr. Smallwood** on his explaining this thing more briefly. I would like to say that **Mr. Smallwood** should have considerable time — not taking too long. This is a very important thing to my district and I think **Mr. Smallwood** should have some time, even if it should take the whole afternoon.

Mr. Smallwood I want to make another point. There is a lot of talk here about the deplorable condition of Canada; that she is bankrupt; down and out; poverty-stricken. Last year the Government of Canada ended up with a surplus of \$360 million. This year for the first five months she has had a surplus of \$500 million. Why was it necessary for her to borrow \$200-300 million? Because she was poor? No! Canada today is extremely prosperous and because she is prosperous she has to borrow some American dollars. She is buying American goods at the rate of \$2 billion a year.... She has not got enough dollars, why? Because she is shipping goods to Europe; she is shipping goods to Britain; keeping Britain alive.... Canada is shipping to all over Europe and Asia and she is not getting paid in American dollars. She is running short of American dollars.... Last year the Canadian government had a surplus of \$360 million. Now we come to the guts of it. That is a good parliamentary expression.

Mr. Chairman It is quite expressive.

Mr. Smallwood It has been used in parliaments. I do not want to be mealy-mouthed. If, down in Adam's Cove in the District of Bay de Verde, there are 62 children under 16 years, and if \$372 a month is put into Adam's Cove amongst those 62 children, the question is, will the parents of these 62 children in Adam's Cove have to pay

any taxes? Will their parents have to pay \$372 a month taxes?

Mr. Hollett Of course they will.

Mr. Smallwood They will? Let us take a look at it! If that is so, family allowances are no good.... If there are 270 children in Bay de Verde proper under 16 years, that is \$1,620 a month. Will the parents have to give the government \$1,620 so that the children can get \$1,620? If so, family allowances are no good.... If the parents have to pay it themselves so that the children can have it, then family allowances would be no good; they would be only paying it to themselves. We could have family allowances and no confederation.... All very fine to say family allowances cost \$250 million a year. You can take that \$250 million and divide it by 12.5 million population; but that is not the way. I will put it another way. There are nine provinces in Canada. Every one has its own government, but one government on top of all, the federal government at Ottawa. Does the federal government say, "In the coming fiscal year in our budget we are going to spend \$1.75 billion — now there are nine provinces, divide that into \$1.75 billion. That is so much"? That would be stupid. They are not stupid. They do not collect their revenue in equal amounts from every province.... The Province of Ontario pays to the federal government nearly half of all the revenue. Throw Quebec in with it, throw in British Columbia, those are the three rich provinces. Quebec has an area vastly bigger than Ontario in size; has vast water-powers; vast timber resources and great mills, mines and factories, and steel mills — a vast industrial province. In British Columbia there is a vast agricultural province — paradise, the Garden of Eden of this world. No country on the face of the earth can compare with British Columbia.

Mr. Butt Not even Texas.

Mr. Smallwood Not even Texas.

Mr. Hollett How long is it since you have been there?

Mr. Smallwood I have never been there. I have only read about it, read descriptions of it as I have of very many parts of the world. Between the three of them, do you know how much they give the Government of Canada? 89 cents out of every dollar the Government of Canada collects! Write that down, **Mr. Hollett**; and you, too, **Mr. Butt**. That is the whole point of my argument 89% of