

already have, not the one in Newfoundland, but the one that governs us, that administrative branch of the Parliament of Great Britain. Suppose the Parliament of Great Britain ... holds the referendum in Newfoundland and the people declare their choice, the British Parliament is the one who receives the people's answer. If the answer is, "We want confederation", the British Parliament might well amend the BNA Act to make us a province, provided always the Parliament of Canada also requested it. In this way, the British Parliament has two requests — from the people of Newfoundland to make it a province; and from the Parliament of Canada to make Newfoundland a province....

Mr. Chairman I might point out that the BNA Act has already made provision, under section 49, for the entry of Newfoundland into confederation.

Mr. Smallwood In a specific way — the joint addresses of the legislatures; but we have not got a legislature. We have the position that if in the referendum the people of Newfoundland say, "We want confederation" ... the rest is a mere technicality. I am not going to get excited over a mere technicality. What I am excited over is how the people will vote. The rest is mere formality. It is perfectly constitutional.

Mr. Hollett Some people do not care whether it is constitutional or not. But I also read the letter. Mr. King emphatically stated, apart from one or two matters like education, that this is the last word as far as terms are concerned.

Mr. Smallwood Financial terms.

Mr. Hollett These are financial terms — that is what concerns the country most. I also point out there is a big discrepancy between the needs of this country as a province and the actual receipts from revenues. You made it out slightly over \$1 million; I figured it out myself at \$2 million. Mr. King says, "This is the last word; we are afraid we will not be able to do anything further". The reason I asked the question as to who will negotiate these financial terms is, I want to know whether it will be the Newfoundland government or the British government?

Mr. Smallwood Mr. Hollett has hopped from the letter to some clause.

Mr. Hollett I do not hop, I jump. I am talking

about the letter. I want it understood that if in the referendum a majority voted for confederation, then you say it is a mere technicality — "We do not care about technicalities" — a mere \$2-3 million short on running the province, that is nothing, the British Parliament has got that. I want to bring that home.

Mr. Smallwood We will deal with that when we come to it.

Mr. Hollett It is in the letter; you read the letter.

Mr. Smallwood Reverting to the letter, the Prime Minister says: "I feel I must emphasise that as far as the financial aspects of the proposed arrangements for union are concerned, the Government of Canada believes that the arrangements go as far as the Government can go under the circumstances."

Mr. Hollett This is something more important than mere money; it touches on matters of conscience.

Mr. Smallwood I read from page 2¹ of the Grey Book.

Mr. Hollett I read from the Black Book.

Mr. Smallwood

With respect to those matters which are primarily of provincial concern, such as education, the Government of Canada would not wish to set down any rigid conditions, and it would be prepared to give reasonable consideration to suggestions for modification or addition.

When the government says these are financial terms, they mean on the financial side, the money side. On the conscience side, such as touches the dearest beliefs of our people, you have no hard and fast conditions. We can go back to the Government of Canada and say to them, "We are not quite happy over such and such a clause".

Mr. Hollett Who can go back?

Mr. Smallwood This Convention.

Mr. Hollett Again?

Mr. Smallwood Cable back; write back; telegraph; or send a pigeon.

Mr. Hollett Would we not then be bargaining with Canada? Have we the right to bargain? I understand the delegation had no such authority.

Mr. Smallwood If an enquiry were sent tomorrow to the Prime Minister asking whether the Government of Canada, in the event of union,

¹Volume II:510.