

together with sinking fund payments, is \$3,375,000 or slightly over \$10 per head, as against Canada's \$35 per head. Therefore we find that the difference between the national debt of Canada and that of Newfoundland on a per capita basis is approximately \$1,200 in excess of ours, which means that if Newfoundland were to become a Canadian province upon the terms offered us, our country would have to become responsible for this extra debt, which would amount to, in all, nearly \$400 million as Newfoundland's proportionate share of the entire debt of the Dominion of Canada. It would mean that every man, woman and child in Newfoundland would pay in annual taxes, directly and indirectly, about \$230 instead of \$120 which is our present per capita tax annually. In all, the people of Newfoundland would have to pay an additional \$38-40 million each year in taxation.

But that is not the worst of it. Canada, we are told, in the event of confederation will be generous enough to take over our sterling debt, which amounts to approximately \$64 million. On the face of it, this would look like Canada was giving us something for nothing, but in actuality it is nothing like that. It means that for this \$64 million Canada will buy Newfoundland — our railways, public buildings, wharves, lighthouses, telegraph system, docks, steamers and harbours, everything for a paltry \$64 million. Why, Mr. Smallwood himself gives the Canadian government the valuation of our railways and its subsidiaries, just one item, as being \$72 million. If ever there was a one-sided bargain, this is it. If ever there was a pig-in-a-bag transaction, this is it.

And speaking again of our railroad, these Canadian proposals make much of the deficits incurred by our Newfoundland Railway. But they say nothing about the losses incurred by the Canadian National Railway system. Now, anyone who knows anything about the history of the Canadian National Railway system, operated by the Canadian government, knows that they have been a continual political headache. They have lost and cost Canada not millions, but billions of dollars. True, the Newfoundland Railway has cost the country a deficit each year since it was taken over by the government in 1923 at a cost of \$2 million. Now, when the Ottawa delegation were discussing this railway matter with the

Canadian government, it would appear that they did not ask any embarrassing questions about the Canadian National Railways — what they had cost the taxpayers of Canada, or what was the average annual loss sustained. Although we have not this information officially, it is general knowledge that the Canadian National Railways originally cost the Canadian government in the vicinity of \$1 billion and they have cost the Canadian taxpayer uncounted millions since it came under government control. Indeed, it is a matter of record that the Canadian government actually defaulted on the preferred stock outstanding by the Grand Trunk Railway system when the government took it over — which action, by the way, caused great concern and displeasure to the English investors holding these securities amounting to millions and millions of dollars. Incidentally, with regard to the CNR and CPR, it was a story of graft from beginning to end. The directors looted the Bank of Montreal in order to finance the CPR and then went to the Prime Minister and asked him to keep them out of jail. They told him the story of what they had done to complete the transcontinental railway. The CNR was taken over in 1919 or 1920. Originally, a great portion of this system was called the Canadian Northern Railway, the construction of which was begun by two Toronto financiers, Mackenzie and Mann (Bill and Dan), who received vast concessions from the Canadian government for the purpose of building another line across Canada. They operated this system for a short period and then got into financial difficulties. In addition, the Grand Trunk Railway and the ICR got into difficulties. These two systems were operating in the eastern part of Canada. Why I mention this, sir, is because we have been told by Mr. Smallwood that the Newfoundland Railway is nothing more or less than a heap of scrap. Well, I wonder what Mr. Smallwood and the Ottawa delegation thought of that part of the Canadian National system that runs from Sydney to Truro. I tell you, that from what little knowledge I have of railroading, that this particular part of the system is a disgrace to Canada. I will go further, its rolling stock, its roadbed and its general administration are most inefficient. I have travelled from one end of Canada to the other — take the Prime Minister's own constituency, the line from Moose Jaw into