

there now of ...

Mr. Smallwood No matter what it is, it's still 20% less under confederation, you know that. The hay that comes by rail is 20% off.

Mr. Chairman I don't want any arguments at all. Mr. Fudge has the floor, and unless and until any member arises to a point of order or a question of privilege, he is not to be interrupted....

Mr. Fudge We've been told that under confederation the cost of living would be reduced. We have been told this repeatedly. I fail to see to what extent. We must not forget that we are living on an island. In Canada, where rail haul is short, and consequently transportation and delivery costs low, the position is quite different to what it would be in this country. No such benefits would accrue to our people. We would still have to pay the regular freight direct from western Canada to the eastern seaboard — Montreal, Halifax, Sydney or Prince Edward Island to Newfoundland — marine insurance, wharfage, and distribution costs. Many of the items coming into this country from Canada pay little or no customs duty at the present time. All importations from the United States and the United Kingdom will be subject to customs duty under confederation, and these are no small amounts of our total volume of imports.

Another matter I wish to refer to is a statement made by Premier Jones of Prince Edward Island the other day, when he said, in substance, that with Newfoundland coming into confederation with Canada, his island province could expect to market an additional amount of its produce. This would mean, according to Premier Jones, that an air transport service would be inaugurated with the west coast of our island. Let my constituency businessmen of Corner Brook and the Codroy Valley, the latter represented by Mr. Keough, take note that Premier Jones says that potatoes, vegetables of all kinds, livestock, meat, eggs and grain, should find a substantial market in Newfoundland and Labrador — Labrador's mine development especially, Premier Jones said, when the Labrador railway is completed. When Newfoundland joins Canada, Premier Jones said, a weekly service would be developed by steamer, and if the Harmon airfield in the vicinity of Stephenville could be operated for commercial freight planes, commodities such as milk, etc., would be carried by air freight to the west coast.

Air traffic would also be developed with Labrador through Goose Bay, and all commodities from PEI would be flown in there and to Newfoundland. Commodities such as milk, eggs, fruit, butter, pork, cheese, and other goods would gain a market now served partly by our farmers of the Codroy Valley. I wonder what does my friend Mr. Keough, who so ably represents the district of St. George's and the Codroy Valley, think of this.

Mr. Smallwood presented his budget some time ago showing that he would require some \$15 million or \$16 million to run the province, should we become one. When asked how he proposed getting this revenue, he stated that as in other provinces in Canada, the industrial towns would be taxed to pay for the poor ones. He ...

Mr. Smallwood Point of order. Mr. Chairman, I made no such statement. I'm not going to be misstated, and I said nothing even like that, nothing.

Mr. Chairman I have no recollection of his having said that.

Mr. Smallwood Complete misrepresentation.

Mr. Fudge I understood that Mr. Smallwood, in pointing out about raising taxes, referred to the industrial centres in Canada which were paying the high taxes.

Mr. Chairman His statement was that 89% of the total revenue derived by the federal government was obtained from the three provinces of Quebec, Ontario and British Columbia, and the remaining six provinces paid the remaining 11%. That was the statement Mr. Smallwood made.

Mr. Fudge If that is so, Mr. Chairman, the industrial towns in Newfoundland such as Corner Brook, Buchans, Grand Falls, Bell Island, St. John's and some of our largest outport towns will be trimmed to balance Mr. Smallwood's budget. When I look at this confederation in such a light, the whole thing seems so silly and extravagant and stupid, that I ask myself how this crazy issue ever got into this chamber. And how did he manage to get us to take it seriously? And he can tie up our work for over three months. But it seems we have to face reality. The absurd thing has been foisted on us. It has destroyed the work of this Convention. It has to all sensible Newfoundlanders become an actual fact, and whether we like it or not we have to deal with it. The records of our proceedings indicate that we did