

ancestors in Newfoundland run back to the year 1707. That's a long time ago, and I am a Newfoundlander, yet I find on the part of some people, in and out of the Convention, this tendency: that if I am not prepared to stand up in this Convention and out of it, in speaking and writing, to paint the rosy picture, if I am not prepared to say that everything is rosy...

Mr. Higgins Mr. Chairman, I rise to a point of order. We are supposed to be discussing the Financial Report. I think Mr. Smallwood should be asked to confine his remarks to the Financial Report.

Mr. Chairman I think the point is well taken.... The discussion must be confined to the Finance Report...

Mr. Smallwood What I want to say is that I am...

Mr. Penney Mr. Chairman, may I rise to a point of order also? I understand that Mr. Smallwood asked for 15 or 20 minutes this afternoon. Well, he is long past that time, and to me it seems awful funny to have to sit back here and have your ear drums almost blown out by the same person occupying the better part of the time of each session of the Convention.

Mr. Chairman On that point I am entirely powerless. There is nothing in the rules which would justify my imposing a time limit on any member. One of the reasons for resolving into a committee of the whole is to relax the rules of debate....

Mr. Smallwood I feel it my duty as a member of this Convention and as a Newfoundlander, to face the facts of the country's financial position fairly and squarely. Not to be optimistic or pessimistic, but to be realistic; to face the hard, brutal facts. One of the facts we must face ... is this: that between 1920 and 1940, the Government of Newfoundland ... failed to take in enough revenue to meet their expenses. They failed by \$60 million to do it for 20 years.... There is a fact, and it is a fact I suggest to you ... in trying to anticipate to what extent the next 20 years will duplicate the 20 years from 1920 to 1940. We have got to face these facts.... Whatever form of government we have in the future we know that from 1920 to 1940 this country went broke \$60 million in its expenses and had to go out and borrow the \$60 million to make good.

Mr. Hollett Mr. Chairman, I wonder if Mr. Smallwood would be good enough to tell this

House the amount of money for instance loaned by the federal government of Canada to Saskatchewan during these years?

Mr. Chairman What is the point of your question, Mr. Hollett?

Mr. Hollett The point is this: that there are a good many countries in this world. We all know that scarcely a country in this world during these years could pay its debts. They had to borrow money, and I refer chiefly to the Province of Saskatchewan simply because my friend Mr. Smallwood is an ardent confederate. He is trying to convince the people, through these microphones, that because we had to borrow \$60 million during these years that we have no chance whatsoever for a future existence. I want him to tell this country the exact position of certain provinces in Canada during these particular years, and particularly Saskatchewan....

Mr. Smallwood The answer is this: at the very time that Newfoundland went on the rocks the Province of Saskatchewan also went broke, just about as badly as this country did. Newfoundland, as we all know, lost self-government because we went broke. Great Britain stepped in and took our government from us. In Saskatchewan the Government of Canada loaned the Government of Saskatchewan I think \$90 million. That was in the depression days of 1929-31. This year, in 1947, the federal government made a deal with Saskatchewan.... They signed a deal giving them some 20-odd years to pay half of it, and the other half the federal government has forgiven altogether.... Saskatchewan came out of it very well, and they did not lose their government as we did.

Mr. Chairman That is not the point. The point is that Saskatchewan did have to obtain \$90 million from the federal government in order to carry on the provincial government at the same time that Newfoundland had to borrow outside, in order to carry on the cost of government....

Mr. Cashin Mr. Chairman, our friend is trying to make a wonderful point. We borrowed \$60 million to pay our debts since 1920-21. Absolutely incorrect. Let us look at the whole story.... The object of this report was to get an overall picture of the country from 1934 down to now, but we went back a number of years, and here is the situation. Before we go any further, my friend opposite is trying to make a wonderful point that