

income. Newfoundland's ratio is 67 per cent. Canada's ratio of imports is about 21 per cent, while that of Newfoundland, if we include purchases from other provinces as imports, is almost 85 per cent. That is one of the outstanding problems of our province, particularly in these difficult times; but in the over-all picture our export trade is of very considerable advantage to the dominion. The assistance which can be rendered by the federal government in enabling Newfoundland to maintain its centuries-old trade with soft currency areas, is a small matter compared to the other advantages that come to Canada through our overwhelming dependence on exports. The greater part of our export trade is to areas where we receive dollars in payment, and in that no problem exists. The margin requiring other currency payments is relatively small, but is enough to vitally affect the livelihood of a large proportion of our people.

When we were just friendly neighbours, the fence between Canada and Newfoundland in foreign exchange was removed, and we voluntarily placed ourselves under the Foreign Exchange Control Board of Canada. In times of Canada's great need for American dollars, Newfoundland, through its earnings by dollar exports, and by the American military base operations, contributed in some years scores of millions of dollars to the dominion. That contribution still goes on in a very substantial measure.

From comments one frequently hears it would almost appear that the impression is held by many that the new province is entirely on the receiving end of the Canada-Newfoundland union deal. Whether or not there is sufficient thought in that direction to justify me in dwelling on the subject, some facts of the province's contribution to the dominion will not be amiss.

Giving and receiving is the essence of good human relations, and you can be assured that your new Canadian brothers will show restraint in interpreting the sacred words—"It is more blessed to give than to receive."

I have shown the vital interest that our province has in exports. Conversely, we have to bring into our province an unusual proportion of the goods we consume. Historically, our importations were largely from England and the United States. Just prior to world war II, our purchases from the Dominion of Canada ran about 35 per cent of the total—mostly agricultural and dairy products. We shopped for the lowest prices in all the world's markets, having custom duties which applied equally to all countries, except a minor preference on goods of British manufacture. In 1948, just before union,

we purchased from the dominion goods to the value of about fifty million dollars, or about 52 per cent of our total imports. These purchases, of course, were on an export basis, free of excise and sales taxes. With the incoming of confederation and the substitution of the Canadian tariff, our own buying position swung completely into the Canadian orbit. While statistics are not available for inter-provincial trade, it is safe to estimate that we are now buying annually from the other provinces from eighty to \$100 million worth of goods. The excess is made up largely of manufactured products. This is no mean figure in Canadian economy, and reflects a substantial contribution to Canadian industry and government revenue. The important fact to bear in mind in considering this aspect of our contribution to the Dominion of Canada is that the sales from Newfoundland to the other provinces still remain in the vicinity of eleven million dollars, that being the figure in 1948. In that year Newfoundland was the fifth in importance of the export markets of Canada. It is fairly certain that the diversion of trade to the other provinces since that time would make the value of Newfoundland trade comparable to that of Canada's third or fourth most important export market. In these days of multiple taxes, assessment on goods as manufactured and sold, and on corporation profits, the revenue of the federal government on the volume of trade Newfoundland gives to the other provinces is very considerable. I realize, of course, that it is not possible to record the relative contribution of each province to the federal revenue. The great manufacturing provinces of Quebec and Ontario pay at the source on the trade they do with other provinces that are not so well established in manufacturing; but there are probably more balancing factors on the mainland than apply to Newfoundland with its one-way trade.

Honourable senators, I have faith in the future of our province. We are far from outstanding in agricultural possibilities, but that deficiency adds to the earnings of the provinces which, in that regard, are more generously blessed. Removed as we are from the big centres of population, we shall not in the foreseeable future be a great manufacturing province, processing consumer goods. Our progress will be in the development of our natural resources, for distribution to the markets of the world. Our great iron mines at Wabana, situated at tidewater, are right now undergoing great expansion. Our mineral wealth, now being energetically explored, appears likely to open up new possibilities of importance. On our forest