



AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

Not for Publication--Not for Distribution in Canada

Vol. 5, No. 246

Saturday, October 11, 1947.

Canada-Newfoundland Talks Summary: The Federal Government estimates that its annual revenue from Newfoundland, should that colony become Canada's 10th province, would be \$20,185,000, but the Dominion would have to pay the Island some \$26,000,000 a year on taxation agreement payments, old age pensions, family allowances and other expenditures outside of any special subsidy.

This was disclosed Friday in a 300-page document, released simultaneously in Ottawa and in St. John's, which sketched part of the picture in any Newfoundland union with Canada but which made only a passing reference to possible financial terms.

The document was a summary of the proceedings at meetings between Newfoundland and Canadian representatives held from June 25 to September 29. These meetings ended with a statement by External Affairs Minister St. Laurent that the full financial terms Canada would be prepared to offer would not be disclosed until some time between October 21 and November 15--after the York-Sunbury by-election and before the Royal wedding.

The bulky document said that Newfoundland as a province could raise annually an estimated \$9,600,000, including a \$5,111,756 taxation agreement payment from the Dominion. But it would have to spend \$14,500,000 for provincial services. Possibly the financial terms, when announced, will make some provision to close the gap between these two figures.

It is possible that this might be done by a special subsidy, such as now is paid the Maritime provinces. But the question of such a subsidy and those regarding the extent to which Canada would be prepared to take over Newfoundland's net direct debt of \$69,613,359, remain to be worked out.

The Newfoundland National Convention, elected last year to recommend future form or forms of government for the now Commission-controlled Island, will study the document and decide whether union with Canada should be placed on the ballot paper when Newfoundlanders vote for their future form of Government in a referendum possibly next May. (CP)

Mr. Ilsley's Statement on Balkan Problem: Following is text of statement by the Right Honourable James L. Ilsley, Representative of Canada at UN, delivered in the First Committee, October 10, 1947:-

"The statements regrettably made in this Committee yesterday by the representatives of the Union of Soviet Socialist Republics and certain other Governments indicating that they would neither participate in the establishment of the Special Committee nor co-operate with it after it has been established, make it all the more important to reflect carefully before we decide upon the composition of this Committee.

(over)