

The Address—Mr. Higgins

The leader of the Social Credit party (Mr. Low) did not visit us, but if he decides to do so I can assure him also that he will be very welcome. I suggest to him, however—and I hope he will not take it amiss—that before doing so he should learn to pronounce the word “Newfoundland”, because some of us regard its pronunciation as being quite important. I suggest not only to the leader of that party but also to many hon. members of the house that the simplest way to remember how to pronounce it is if you use it in the context, “you must understand new found land”. I think you will find it somewhat easier that way. I do not object, I may say, to “newfundland” provided there is a possibility of our acquiring some new fund that we have not any knowledge of as yet. I can assure you it will be very welcome. I particularly stress that because of the financial gale we are going to have to weather very shortly. A new fund will have to be provided from some kindly people somewhere. Possibly the members of the government may feel inclined that way.

It was stated in the speech from the throne that, with the admission of Newfoundland, the Canadian nation attained the geographical limits planned for it by the fathers of confederation. I am very happy to know that Newfoundland made this contribution, that as a result Canada is now a complete and full nation, and I presume has no further territorial ambitions. As to the new province I have a few pertinent remarks to make, which I hope will not be misconstrued. First and foremost, let me say that the confederation of our country with the other provinces of the great dominion has now been accepted generally even by those of us who were not in favour of it. I say that quite frankly. I was one of those who fought confederation as hard as I could and right to the bitter end. My presence here is ample proof of what I say, that it has now been accepted generally by the people all over Newfoundland.

A number of my fellow Newfoundlanders were not in favour of confederation, and I may add that the number was not inconsiderable. The voting at the referendum showed that 71,334 people voted for the restoration of responsible government, and 78,323 for confederation. The chief reason among the great number of the people of Newfoundland who were opposed was that the financial terms of the confederation agreement were not adequate. As the Prime Minister will recall, during the meetings of the delegation from the national convention with the special committee of the cabinet in 1947 I raised this particular point. Subsequently on the visit of the second delegation, following the acceptance by vote of confederation, the

financial terms were somewhat increased, but they are still inadequate, and are not sufficient to enable us as a province to pay our own way in respect to government services.

Now, this fact has been borne out by the record of revenues for the months of April to August of the present year. I speak of the official record issued by the Department of Finance. The total revenue, including federal grants and income tax payments for the year 1948—of course the income tax payments are non-recurring—amounts to \$15,556,997. Of this sum \$8,450,270 was for income tax payments for that year. As I said before, they are non-recurring. The proposed tax rental agreement to be signed by our province and the government will give us approximately \$6,800,000 per year, possibly a little more, but that is as close as I can come to it at the present time.

The total expenditure for the same period under review, namely, April to August, amounted to \$10,735,780. Deducting the amount received from income taxes from the total receipts, it leaves an amount of \$7,106,727. This leaves a debit balance of \$3,629,053 for a period of five months, or a debit of some \$725,000 per month. If the debit continues for twelve months at the same rate it will amount to approximately \$9 million. As I said before, we shall receive from the tax rental agreement approximately \$6,800,000. This will leave us with a debit, based on present expenditures for the first year of confederation, of something over \$2 million. Remember this is only with present expenditures. The additional cost of our health services and the maintenance of our new sanatorium at Corner Brook will have to be added. This sanatorium is as modern as any on this side of the water. Apart from that maintenance and the original capital cost of the other planned extensions in our health services, there is also to be considered the cost of highroads.

In this connection, I trust that the recent statement made by the premier of Newfoundland, the Hon. Mr. Smallwood, will not be carried into effect. Mr. Smallwood stated that he proposed using the pick and shovel for the building of the highroads. That may be a perfectly good way to distribute relief, but to me it appears to be going back to the old days in road making.

The cost of providing relief in Newfoundland during the winter will also be high. It has been estimated for me that for the full year we shall very likely have an over-all deficit of approximately \$5,000,000, so it will be necessary for new taxes to be imposed by the provincial government. As you can well realize, this is going to be an extremely difficult matter during the coming year, since we