

government's revenue for them. They're agents for the government, collecting the government's revenue.... That's indirect taxation. That's customs duties. That's how the system works, and that's one of the biggest reasons why the people of this country are suffering the way they are today from the high cost of living, and always did. You can take note of this fact, Mr. Chairman, the higher the prices go in the countries we buy the goods from, the worse this position becomes. I told you what happens when the article costs \$100 abroad, and the profit is made on the duty, but if the price goes way up, say to \$150 in the States or Canada, then the duty is no longer \$20 but \$30, and the profits made on the duty are no longer what they were in the first case, but that much higher, half as high again. The higher the prices in the countries we import from, the more duties we pay, and the more profits we pay on the duties, and so it goes until the ordinary man can't live at all. His dollar shrinks and shrinks and shrinks. It'll buy less and less all the time. And who feels it worst of all? The poorest of the poor. Not the family that can afford two or three motor cars, or a couple of trips away every year, or life insurance policies running up to a \$100,000, or even \$2-300,000, not the family that can send its children to school in Canada, England or the States, certainly not the family that can afford to spend \$4-5,000 a year just on ordinary household expenses, because to such a family another few hundreds or even another thousand a year won't make or break them. No, it's the family that has to watch every cent. The family that has to stretch the last penny, that has to go without and never knows anything year in and year out but penny-pinching economy. They're the people who feel the pinch where it hurts most — in their children's stomachs and on their children's backs. The great majority of our population, those tens of thousands of our people who ache and yearn for a square deal and don't know where to turn for it, those are the people who will be helped by confederation. Oh yes, confederation will tax them too. But not in the same way — not so heavily, not so harshly and above all not so unjustly.

Mr. Chairman, this is the fifth week since this debate began, and for all of that time we've been discussing and debating the details of these confederation terms. I am afraid that more than once

we haven't been able to see the forest for trees. We've wrangled and disputed so much over the details that we've failed altogether to give the people an intelligent picture of the whole thing in the round. It would be useful therefore, if before this debate closes, I should try to give a general picture of confederation as these terms describe it. The first fact is that confederation means that Newfoundland would join the family of Canadian provinces. Where there are nine provinces now, there would be ten if we joined up. Newfoundland would have all the rights, powers, privileges and responsibilities of a province of Canada. We'd no longer be on our own — no longer would we be trying to paddle our own canoe, trying to get along by our own unaided efforts. We'd be part of the family of Canadian provinces. The second fact is that the Province of Newfoundland would consist of 152,000 square miles, 42,000 square miles in the island of Newfoundland and 110,000 square miles in our territory of Labrador. Labrador as defined by the award of the Privy Council in 1927 would be part and parcel of the Province of Newfoundland, and the boundaries separating Newfoundland-Labrador from Quebec-Labrador could never be changed except with the full free consent of Newfoundland. The third fact is that the Government of Canada would take over our entire external public debt — the debt of \$60-odd million we owe in Great Britain. Canada would relieve us of this debt and would pay the yearly interest on it, and would pay it off when it fell due. Newfoundland would be left with a public debt of around \$6 million, which amount we really owe to ourselves. That is, it's an internal debt borrowed by our government from people here in Newfoundland. The interest on it would go to the people in Newfoundland.

The Government of Canada would take over and operate at their expense our railway and coastal boat system, the Newfoundland Hotel if we want them to take it over, the post and telegraph system, Gander airport, all lighthouses, fog alarms, beacons and buoys, public wharves and breakwaters, what we call marine works; the pensions and rehabilitation of all veterans of both wars, the protection and encouragement of the fisheries, the geological survey and the topographical, geodetic and hydrographic surveys. The civil service employed in these public