

this time a good many of these people will know how to measure the credence or otherwise of this latest Superman thriller.

Has Mr. Smallwood told us what he is going to tax to make up for this deficit in the first or second year of confederation? He himself, sir, in the Black Book, admits there will be a deficit. This deficit he admits is \$1 million. It is called "Additional Provincial Taxation — \$1 million". Actually it is \$1.2 million. Very well, what is he going to put his taxes on to get this? In the second year of confederation he will have to find a further \$350,000. As you will remember the transitional grant is reduced year by year for 12 years by \$350,000 a year until it gets down to nothing, and so on year after year, until at the end of the 12th year the Newfoundland people will be paying, mark you, \$4.7 million in taxes more than they are paying today. They have to make that up. Very well. All I want to know, sir, from Mr. Smallwood is just what he is going to levy these taxes upon? It seems to me some indication ought to be given us. We enter confederation now with the prospect of having to raise more revenues year by year than we are raising now. Does this make sense? God knows we are taxed enough now. Most countries today are endeavouring to lower the taxation burden. We are told, however, "Oh no, you must be taxed more year by year if you desire this inestimable privilege of being a Canadian citizen." Any fool can see that according to these terms, ten years hence the Newfoundland people will have to raise nearly \$5 million more by way of taxation than we are doing now. And all this makes no allowance whatsoever for new construction or repair to roads, schools, buildings and other construction, and makes no allowance whatever for increase in public health services, educational facilities or fishery improvement. Let us forget all this and merely ask Mr. Smallwood just how is he going to raise that money, that \$5 million, say ten years hence? Is he banking on the possibility of having been gone by that time to his reward, eternal or otherwise? No, he won't tell us, but I have indicated a method to you, and I hope, sir, that you will be here to be witness to the truth of that which I have spoken. It may be, however, that by that time communism will have overrun the world, and that a suitable commissar will be found to rescue the Newfoundland people from the appall-

ing burden of taxation imposed through the machinations of present-day confederates. One thing I do know is that the present administration has set up such a huge spending machine, that whatever form of government the people decide on in the future, that government will be hard put to it to find the money necessary, for the greatest good to the greatest number of our people can only be achieved by the fullest development of all our natural resources.

In this development government must lend a hand, and more than that, a controlling hand. How necessary therefore is it that government should be truly representative of the people. The brightest hope I have seen so far for the future is the present organisation of labour throughout the country. I have watched its development for a number of years, and after close association with some of its leaders I believe it to be the only development in self-government that has come to Newfoundland during all her past history. With wise leadership I believe that labour can save this country and her resources for the benefit of all. If labour cannot make this country a better place in which to live, then nobody else need try. One thing is absolutely essential, and that is a very close co-operation between all the unions in every branch of industry. They must get together and put up a solid co-operative front with capital to the end that all may benefit.

Going back to the motion. I cannot support it. I would have supported Mr. Higgin's motion with Commission of Government included, had it not been for the pledge of 1933. That pledge still stands, hence our legal choice in the matter can only be one of two forms, and it should be put to the people in this manner: "Do you desire the return of responsible government — answer 'yes' or 'no'." If the majority say "no", then Commission of Government carries on. If the majority say "yes", then we get back our former status, and begin to put our house in order. Mr. Chairman, I put it to you that is of the very essence of the meaning of the word "referendum". The dictionary tells us that the meaning of the word is the "referring of some social or political question to the electorate, who will decide it by either a 'yes' or a 'no' vote". The introduction of this confederation issue at this time prostitutes the very language in which it is written. It makes confusion worse confused. It renders the Convention