

Railway's being taken over and operated by the Canadian National Railway system, who will be liable for the payments of pensions paid to employees of the Newfoundland

Railway presently retired and receiving pensions?

[The Convention adjourned]

November 24, 1947

[Mr. Fogwill was informed that his question on railway pensions would be forwarded to the Commission.]

Further debate on the Economic Report was deferred.

Mr. Cashin gave notice of a series of questions asking for information on the condition of the S.S.

Cabot Strait,¹ and on the financial condition of the Government of Canada.

On a request from Mr. Ashbourne, the Chairman asked the Information Committee to investigate the matter of possible tariff reductions with the Commission of Government]

Report of the Ottawa Delegation Proposed Arrangements for the Entry of Newfoundland into Confederation Committee of the Whole

Mr. Smallwood I move that the Convention resolve itself into a committee of the whole to further consider and discuss the proposals received on November 6th from the Right Hon. the Prime Minister of Canada.

Mr. Bailey Mr. Chairman, we have come to the famous "diaper bonus" and I was surprised at the complacent attitude of Mr. Smallwood that Mr. Job would pay. As a layman, I was wondering how Mr. Job would pay, since when I am finished with this job I intend to go fishing, and to land and sell at Bonavista Cold Storage, of which, I am informed, Mr. Job and associates are the owners. Now, I am perplexed. Will Mr. Job forget he has a "diaper bonus" to pay and give me the full value for the fish I'll land, or go in a dory and fish for the bonus himself, or will he, with that bonus in mind, take it out of me? I'm afraid he will. I have dragged up my family, and it looks like I've got to help bring up others. You have always got to pay it, even a young man today, when he gets up to the age of 40, with kids up to 16; you go on paying the "diaper bonus" until you are 70, when you get the "whisker bonus". Another vicious circle.

I have been doing a little delving this past 10-30 years into matters of taxation and I have some figures before me which I think should be brought before our people, for if this farce goes through and our people ever get tax-conscious, they will be in virtual revolt. Let us examine the happy Zion to which our confederate apostle is

leading us. The leader of this movement is painting a picture that cannot but cheer the heart of every toiler in this island home of ours. I wish I could subscribe to it, but I must have used up all my optimism on the Economic Report. Why the pessimism? It's simply this: ever since I came into this Convention I have heard nothing but the hardships of our system of taxation, and I had really hoped that in the leap towards Zion that tough road would be smoothed over; but I am disappointed! First things first. I don't want to go meandering around from Quirpon to Grand Falls, so here it is. We heard a royal address about taking from the rich and giving to the poor. I'll say more about that later, for that's up my alley, but this before us unfortunately is not so, for I'm going to lump the two big social sums together, the "diaper bonus" and the "whisker bonus". They cost, together, \$342 million.

Now in that grand Dominion they have a sales tax and I'll quote:²

The sales tax hitherto has always been considered as one of the most vicious forms of regional taxation. It hits every man, woman, child and babe in arms, totally regardless of income; but the federal government plans to collect \$325 million in sales tax this year, against \$298 million collected last year, for the major taxpayers in Canada are the poor people of Canada, not only in the income tax as the figures readily prove, but in the fact that 12 million people in Canada are sharing

¹The Gulf ferry that replaced the S.S. *Caribou* (sunk in 1942).

²Mr. Bailey was probably quoting from *The Prairie Farmer*.