

propose in my remarks to give my reasons for saying so. I will as best I can explain to you why I believe that the so-called proposals are not alone without the virtue of being properly negotiated terms, but that they fail to present either a true or complete picture of the real position. Indeed, for myself, I find them more remarkable for what they conceal than for what they actually tell us; that instead of being possessed of the dignity or standing of a legitimate contractual agreement between two countries, they resemble more the brief of a slick salesman trying to sell a defective bill of goods to a gullible people. In short, Mr. Chairman, I regard them as an insult to the intelligence of this Convention, and a reflection on the sound common sense of all the people of Newfoundland.

I have said, sir, that these terms are more remarkable for what they do not tell us than for what they do, and the glaring instance of this is given in the manner in which they deal with taxation. Some weeks ago I told this Convention that in the event of confederation with Canada the people of Newfoundland had better get out of their heads any idea that we were going to get lower taxation. I went further, and I said that instead of any decrease in taxation we would suffer from even a higher and much more oppressive burden under confederation. We have all witnessed Mr. Smallwood's failure to satisfactorily balance the budget which he brought in here some weeks ago — his own personal budget, made to order, which contains his own chosen figures. Now I ask you, when this budget could not be balanced even in theory, how can we expect to measure up when the real thing comes along? And remember too, that in addition to this provincial budget we will have to pay, I say *have to pay*, our definite share of taxation to the federal government. In commenting on this matter I estimated that the people of Newfoundland would be called upon to find a total annual sum for taxation of nearly \$80 million annually. I said that some weeks ago, and I am still waiting for someone to prove to me that my estimate was not correct. I have heard, as you have heard, pro-confederates make somewhat feeble attempts to indicate how our provincial budget might be balanced, but not one of them gave us a satisfactory answer. Mr. Smallwood indeed seems to realise the awkwardness of his position in this

respect, and so in the past whenever he is faced with an issue with which he is unable to deal he starts to duck, he dodges, he evades, and failing everything else he sends out a smokescreen, as you have heard him do when he tried to distract us from the issue by an attack on or vilification of those engaged in the business of this country.

Now, no one has ever yet accused me of being champion of Mr. Smallwood's local millionaires, and I am not concerned with them as such in this debate, but I do realise, as everyone with intelligence must realise, the value of free enterprise. All democratic peoples know that capital and labour depend upon each other for existence. I know and you know, that without the so-called capitalists the great United States would not be where she is today. Canada, the much vaunted Canada, had her resources developed and her railways constructed, and their country opened up only through and with the driving power of capitalism, and the same thing applies to the British Empire, and if we look at our history we find that the same thing applies to this country. I know and you know, that today the country which is the envy of all the world, whose people enjoy the highest standard of living, is also the country which has the greatest number of rich individuals per square mile than any country on earth. Must we put two and two together? Do we not also know what happened to those countries in which agitators arose to turn the people of the country against those possessing money? Yes, these people destroyed the capitalists, but at the same time they destroyed their own country — a Hitler, a Mussolini, and a Stalin replaced the banker and industrialist and the merchant. Would anyone want that sort of thing to happen here? Listening to the heated abuse which Mr. Smallwood directed at the successful business organisations of this country, and the businessmen, the same businessmen who furnished the fishermen with their ships, the men who built the factories, the men who started new industries, the men who employ thousands of our people at union wages, the men who, is estimated, pay large annual sums to our treasury by way of annual taxation. Listening to his unreasonable attacks on these people on Friday, I somehow got the idea that for the first time a new and unsavory and even alien note had been injected into the proceedings of this Convention. It