

because how can I decide anything on pure hypothesis or conjecture, and the debate, as far as I am concerned for the last 15 minutes, has had

anything but a factual foundation.

[The committee rose and reported progress, and the Convention adjourned.]

December 11, 1947

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

Mr. Reddy Mr. Chairman...

Mr. Chairman Mr. Reddy, Mr. Bailey was occupying the floor, if you don't mind deferring it.

Mr. Bailey Mr. Chairman, as regards to this discussion we were in yesterday evening when the question probably went outside of the scope of the clause discussed, I assure you that I did not intentionally do it; I was just trying to make it clear for the Convention and the people to understand.

Mr. Chairman I am sure we all appreciate that, Captain Bailey.

Mr. Bailey I would like you to turn to page 4 of the Grey Book, where I intended to follow on when I left off yesterday evening when brought to order — Transitional Grants:

In order to facilitate the adjustment of Newfoundland to the status of a province and the development by Newfoundland of revenue-producing services, Canada will pay to Newfoundland each year during the first twelve years of union a diminishing Transitional Grant payable as follows....

Now each and every one of us will note that after the first three years there has to be found a certain portion from taxation different from what we have got today. I want it made clear just what we have to expect. I believe in the quotation which was, I think, made in this House by some member, that the wrong way to tax a people is for one body to collect the taxes and another body to spend it. So I believe that when we get closer to the crux of the matter and find out what we are being taxed for, I believe we will have a better form of government. I think this clause we have before us points that out very strongly.

I find, and I am worried about it, that there has been no effort made for any adjustment in what we have before us. We know what we are going to get, it has been pointed out very strongly, everything that is coming to us; but nobody has taken the trouble so far to point out what we are

going to pay and how it is going to be paid. I tried yesterday in my humble and probably illiterate manner to bring to your attention the difference in the direct taxation that must come upon us if and when we come into confederation. We must adjust ourselves, and I not only see that 12 years to the day we will have to find this amount that is brought before us, but also another \$1.5 million. I cannot see for the life of me how this country can have the very least in services under \$5 million taxation. Now that's the point I would like to make clear today, and I don't see, looking at it from every angle, after the federal and provincial governments take their cuts, where the cut is going to come from for municipal purposes and for our schools. You will find out that the 578,062 people of Nova Scotia are collecting \$9,941,058 for their schools. I say we have got twice the territory to service, because we can't go on leaving the Labrador in the place it is into; I am sure it is the greatest disgrace in the world, the way that Newfoundland has left the people of Labrador. If there is one body of people in our country that has raised themselves by the bootstraps, against odds that you can hardly understand, it's the people of Labrador. I believe that they should have the same as everybody else. There isn't any doubt that there's an immense amount of wealth in the country, and our people in Labrador should not be left like the natives.

I tried yesterday to explain in my simple way how these people are raising this money. I can't quote the districts in the Province of Nova Scotia, that's the municipal statistics, the clause here would be too deep to go into. I think we have got about 33 pounds of data on this Convention Act, and I slogged through most of it, and I believe if we were to make an impartial survey of Nova Scotia we would have to have 30-odd pounds of that.... I am not satisfied that this country is going to get all it needs for \$75 per capita. It can't be done, and if we had \$120 per capita, including