

called Confederate districts are going to vote this time for Confederation. He even went so far as to say that Confederation will win the one district outside the Avalon Peninsula which it lost last time and several districts on the Peninsula as well.

6. I am convinced that Mr. Smallwood's forecast of the June 3rd vote was entirely sincere. I find it a little difficult, however, to believe that he can really mean this present appraisal. One must remember that in this country it is evidently even truer than elsewhere that the voter, as it is put here, likes to "win with the winner." Mr. Smallwood would, I think, feel obliged to make a highly optimistic forecast even if he did not really believe it.

7. As if in answer to Mr. Smallwood, the mounting flood of taxation propaganda reached a new high in the *Daily News* this morning. This indefatigably partisan newspaper published a long editorial on the subject along with a full-page advertisement based on the McDonald-Currie report and a smaller advertisement based on some information about property taxes in Saint John, New Brunswick. Copies of the relevant clippings are enclosed.[†]

8. Most of the assertions contained in these pieces on the subject of property taxes and other kinds of local taxes can be met by the sort of line taken by Mr. Smallwood in last night's broadcast. At the same time, I am a little chagrined to find the entirely misleading assertion about Confederation inevitably increasing the Newfoundland tax burden by about five million dollars repeated in a more objectionable form than ever. Even the McDonald-Currie report, which is so dear to the hearts of the Responsible Government propagandists, pointed out that Canada would spend seventeen million dollars net in Newfoundland every year, and it can be very easily demonstrated that, even if one admits the McDonald-Currie estimate of five million dollars or so deficit annually, the Newfoundland tax burden would be no greater than at present and the services provided in return would be worth twelve to thirteen million dollars more.

9. This aspect of the taxation question has never been very clearly demonstrated by the advocates of Confederation. They have preferred to attack the taxation question on the more concrete and humble level of its effect on the average voter. It may be that they have been right in this approach because the budgetary problem probably does not loom very large in the average person's thinking. It now seems, however, that the Responsible Government propagandists are using the McDonald-Currie estimated deficit as a yardstick to measure and demonstrate to the average Newfoundlander the magnitude of the additional so-called taxation which he would have to pay to locally constituted governments. Perhaps this technique is being used too late in the day to have much effect; perhaps, on the other hand, the Confederates will think it worthwhile to say something in rebuttal before the campaign ends.

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12. Another Responsible Government speaker whom the opponents of Confederation are placing before the public at increasingly regular intervals is that same Mrs. Fanny Ryan Fiander who addressed the Responsible Government rally last Friday night. She has now been heard over VOXM in the morning on several