

would mean the raising of some \$3,800,000 outside of St. John's. For purposes of comparison, Mr. Pratt then cited a number of Nova Scotia towns and villages which pay property taxes. For example, he said that Berwick, with a population of 962 pays \$19,000 — virtually all taxes on property. He asked "Is it fair and right to vote ourselves into Confederation without the whole program of taxation being thoroughly analyzed and made known to our people?"

22. Mr. Pratt said that he considers it "an amazing thing" that the Canadian authorities do not appear to place any value on the Federal revenue to be derived from the development of Labrador. Furthermore, while the bulk of the population of Labrador will be largely drawn from the mainland, the expenses of administering the territory will mainly be borne by residents of the Island of Newfoundland.

23. Mr. Pratt's plan is that a responsible Newfoundland Government should enter into negotiations with the Canadian Government after it has set up a Commission of Investigation composed of outstanding men in the fields of finance, commerce, public administration, and social services, to prepare the Newfoundland case and assist it in the negotiations. Concluding, he paid passing and somewhat grudging tribute to the benefits of Family Allowances and then stated his main position in these words: "If we vote ourselves into Confederation at this stage we have not got one vestige of bargaining power left. We shall be placed in the humiliating position of first having made a deal and then with our hands out ask Canada to adjust our difficulties as a favour and not as a right. As I see it, that is a position which a self-respecting people should avoid at all costs."

...

28. The Confederate Association have a period on the country-wide radio hookup tonight and another on Wednesday night. It has been announced in the press today that Mr. Smallwood will speak tonight and Mr. Bradley on Wednesday night. The same night, immediately following Mr. Bradley, Mr. Charles E. Hunt, K.C., will speak for Responsible Government.

...

I have etc.

PAUL A. BRIDLE

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*Extraits d'une dépêche du haut commissaire par intérim à Terre-Neuve
au secrétaire d'État aux Affaires extérieures*

*Extracts from Despatch from Acting High Commissioner in Newfoundland
to Secretary of State for External Affairs*

DESPATCH 352

St. John's, July 20, 1948

Sir,

I have the honour to refer to my despatch No. 350 of July 19th, regarding the present political campaign.

2. Last night Mr. Smallwood spoke over the country-wide radio network and