

ore and what not. These are troubled times, and if we have any surplus we ought to try and hold on to it for just such an emergency as happened this fall, when we could not sell our fish if we had not had this surplus. We should not use our surplus for current expenditure, which apparently is the intention of some of the members of the Ottawa delegation. Well, let us say we have \$12 million revenue.

Now let's look at the other side of the picture. What will be our expenditure? See page 62 of the Black Book.... Let us assume for a moment that these figures are correct. It would be a fair question to ask, but I am not going to ask it, where do they hope to place the taxes in this country in order to raise that \$2.5 million? You can have no indirect taxes, you can no longer have taxes on the incomes of the individual and the corporations. Ottawa will be busy bleeding the resources. Where then will they get the \$2.5 million? I have hinted where you are going to get it, and where you are going to place your taxes.

Let us take a look at the estimates of an expenditure of \$14.5 million. Take a look at their proposed expenditure for Education. The estimates for Education this year in Newfoundland are \$3,622,300. Now what has the Ottawa delegation done? Mind you, I suppose the people in Canada believe that they acted in good faith when they took this figure. What *have* they done? They have lopped off \$514,000, and reduced the estimate to \$3,107,700. Again it has been stated that the surplus will take care of the construction of these figures and education. In other words, they say, "We won't build these new schools, we shall stop all new reconstruction on account of education." Let education remain stagnant for the next three years, and indeed for the next 12 years if need be. Our whole education plans for the future are out. After all, are not our teachers already receiving much more than they are in Prince Edward Island? Gentlemen, as you know, our educational authorities were budgeting for \$4 million next year in order to bring our teacher salary scale on a par with that in Nova Scotia. So if we are honest as to the needs of the education of our children, rather than take off \$514,000 we must add on; and I submit a further \$900,000 must be added to the \$3.1 million suggested by the Ottawa delegation, and no doubt accepted in good faith by the Canadians to whom they talked.

Now take a look at what they have estimated for Natural Resources. You will note that the Ottawa delegation here again has cut reconstruction to the tune of \$1,629,428. Do they mean to tell us that under confederation there will be no need of reconstruction with regard to fisheries, forestry, rural development, etc? Are we to remain stagnant in this field? I have studied this thing as much as I am capable of; I am sure that we, as a province, in making an estimate, must leave in the following amounts, that is to say:

Handicrafts	\$ 39,600
Fisheries	324,500
Forestry	79,800
Rural Development	682,000
Loans for Development of Fishing Industry	<u>290,000</u>
Making a total of	\$1,415,900

Which, I feel, must be added on to the estimates made by the Ottawa delegation if we are to exist at all as a province. But let us assume that under sub-section 8 of clause 5 of the proposed agreement, Canada will take care of fisheries. Canada will lop off the reconstruction of our fisheries. I put it to you, gentlemen, that is not generally done in the provinces of Canada today, but let us assume that, under this Grey Book, Canada is going to take care of our fisheries, let us lop off that \$514,000, and we still have left \$801,400 to take care of the most necessary reconstruction.

Let us pass quickly over Public Works, but in passing I ask you to note that they have cut out \$4 million of reconstruction, \$3.5 million of which consists of the construction of roads, bridges and buildings. These things are our responsibility as a province. Must we, for this union with Canada, forego all hopes of further extending our roads? I have pointed out the position of the surplus. I wonder how many people in this country today earn good money on road building and repairing? That would have to stop. Our confederate friends will deny them that. If it is right to build roads and bridges at this stage in our history to open up our country, then it is wrong for us, as individuals sent in here by our people, to consider these matters. It is wrong for us even to think of confederation at this time, for we shall not be able to get the money to do this work, to build the roads and other things.

Suppose for a moment we listen to our financial wizards here and at Ottawa, and cease all