

trouble. The dollar bills just showered down in this rock-candy mountain. But I have a recollection that Britain had a balanced budget and a large surplus. I don't think Mr. Smallwood or anyone else would admit that she was in a strong, healthy financial position. The reason was, she did not have exports to buy her imports. You can always balance a budget with a printing press. You can also export with the same, but the time comes when even that won't give you the market. Britain was in straits although she had a balanced budget, because she did not have exports to pay for the imports. Canada is in a jam because the countries she can export to ... have not the exports or gold to pay for Canada's exports; a vicious circle, Mr. Smallwood, but then just the same I'll forgive you. It's a world's saying that journalists and lawyers are the world's worst economists. But you must tell people that you know how you must keep it up. "Would that God that gift would to give us To see ourselves as others see us."

I am trying to show this Convention the holes that are in this proposition, and I think you can row through them. I have a decision to make, and I must show the reason why I am making that decision. In referring to my speech on the municipal taxes, Mr. Smallwood said I was shrewd, as I knew what hurt people. Taxes, yes. Nothing hurts like taxes, especially when you have nothing to pay them with. And there is a law saying they must be paid, or else. Now again, I must agree with Mr. Smallwood's explanation that the federal government does not tax property. I think that's clear to everybody, for the Black Books stated that is left for the municipal government, not town councils — there are no town councils mentioned in the Black Books, they are called municipal governments. I also agree with him that the provincial government does not tax property unless there is no municipal government. Take the case of PEI, the provincial government there and the school districts do tax property as throughout the other eight provinces. The municipal governments do tax property and they collect as much in this tax as one-third to a half the revenues of the provincial government, and when it was put before the Ottawa delegation that we could not run the province on what we would get from the federal government, the answer was, "Use up your surplus or put on more taxes." And we will find out when that royal

commission comes here that they will show the provincial government how to go about it, and then fur will fly. I am, shall I say, brutally frank. I tell them they will be taxed and I'm going to have a lot of fun out of it, because if we go into confederation, for a few years in this country it will be as good as seeing the "Pirates of Penzance". I know I won't be in any government, municipal or provincial, that will have to put them on. I am going to try to show the people the taxes the provinces are using to give them the conveniences they are having. I am going to let them read them themselves, and if it does not change them, and if they get them, it is their own hard luck. If I were an ardent confederate I would do that, for I know our people and I want to live with them, and I know that if you fool them, they have long memories. I believe this time that Shakespeare's quotation will be very apt only it will include men as well as women. I don't want to be one to fool the people.

In this I am going to quote some of the assessments of our neighbouring province of Nova Scotia. Perhaps we are going to do on \$15 million what they do on \$30 million, our people have been told they will have the same living conditions in Newfoundland as they have in Nova Scotia. That is the battle cry of those who favour this form of government. It is strange to me that in the years I have lived and worked amongst those people I did not find it so. The sea was always a struggle, the Gaspé coast bleak with its small fishing villages, no harbours, their homes like any fishing village, say Pouch Cove or Portugal Cove. The homes, some better than others, some worse. You won't find the chesterfields there, but you'll find the settle of our father's day, hand carved by some old habitant. The land is better than ours on the whole, with the exception of Howley and Codroy Valley, but to the fisherman-farmer, their life is the same hard grind and the same as here, from the boat to the garden and when the fishery fails, the woods. There is no luxury. The province has a back log. They have their factories and the large port of Montreal to take up the slack, but we have no factories here to give our people ease from these taxes, neither have we the great port of Montreal, or any other, to ease our fishermen's burdens. Montreal collects from all the provinces that ship through her every bushel of grain from the Prairie provinces