

presumably to support us; but the people must realise that they will not get anything for which they do not pay, and that Canada is not Santa Claus. Mr. Ashbourne also stated that if Newfoundland needed assistance after our surplus had been spent, we would know where to look for it. I can well see why he brought this question up because he, no doubt, anticipates that our surplus will soon be gone, and under those terms that Canada has to offer, I can well agree with him.

We have a provincial budget based on those terms presented to us, and on which even Mr. Smallwood, who compiled this budget, estimates a \$1.25 million deficit each year. No doubt he shaved the figures as close as possible, but still could not show how we could operate under union with Canada with less than a \$1.25 million deficit. However, he did not take into consideration that he cut the Public Health Department, with its yearly expenditure to \$5.25 million, against our present general expenditure of \$6.25 million, and he did not take into consideration that with the completion of the General Hospital here at St. John's and the sanatorium at Corner Brook, with a 250-bed capacity, and the extension of the Western Memorial Hospital at Corner Brook, that our maintenance of these public services under the department will require closer to \$7 million a year, so that we would require approximately another \$2 million in addition to the deficit brought in by Mr. Smallwood. That makes approximately a \$3 million deficit. The education grant has been left at just over \$3 million, but here again the Department of Education will require about \$4 million, although they may not be able to obtain this from the revenue of this country, but they will certainly need another \$500,000 to maintain the educational services for the children in this country, and this further increases the deficit under union to somewhat just under \$4 million.

There has been no provision made here at all for reconstruction, and the amount of money provided in Mr. Smallwood's budget is merely sufficient to cover the maintenance of existing roads. To build further, or to increase the remaining public works, as well as any other reconstruction programme, would certainly require another \$2 million, which gives us a yearly deficit of something near \$5 million and which would bring the total expenditure of the provincial

government up to something like \$19 million per year. This deficit is to be collected from the people in additional taxes — whether these be sales taxes, property taxes, school taxes or some other kind of tax, the cost of government would have to be paid for, and those terms under which we have been offered confederation do not provide us with sufficient revenue to balance our budget without resorting to increased taxation and you cannot get away from this fact. Under these terms I am sorry to say that as far as I can see, we will have built our last hospital, we will have put the last bed in it, and we will have laid our last mile of road...

**Mr. Chairman** In the interest of brevity and efficiency, members should distinguish between the motion before the Chair and the debate on the confederation terms. Our attention is directed to the fact that the Canadian terms or proposals were fully debated and spoken to by every member of the House who wished to speak to them.

**Mr. Hickman** These are the facts that the people of Newfoundland should want to know. There are undoubtedly some benefits that the people will derive from the terms that have been put before us, but the whole picture cannot be seen until the benefits are accounted for by the cost to the people. The members who have spoken for confederation seem to have missed this fact as they have avoided any reference to, nor did they substantiate the facts as to how they can raise the revenue that will be necessary for this country as a province. They have skipped over the fundamentals and have generalised. They have painted a very rosy picture and have put two coats of paint on the baby bonus to distract attention from the adverse or bad factors of the terms that have been offered us. They have referred to their dislike of responsible government, but what will we have under union with Canada but a responsible government? A provincial government is a responsible government, identically the same except that our control will only be over our provincial assets and the remainder of the country, including our resources and everything important to us, will be under the control of the Canadian government. These terms of confederation, sir, can be obtained at any time. These are the minimum that Canada could offer us and they are below the minimum that we should accept, or that I could recommend to the people myself. They