

respect to excise duties, excise taxes and the general sales tax and I have got the following result: import taxes, \$11.61 per head of population; excise duties \$11.67; excise and other taxes \$18.02; sales tax \$22.98. These taxes as applied to Newfoundland will result in a total taxation under these headings of \$22,427,000. This figure is \$2 million more than that which I had quoted before, and I am inclined to accept this latter figure, because I did not know when I examined them before as much as I do now of the tax structure of the federal government of Canada.

Now let us consider personal income taxes. This is, I admit, a more difficult question. The only way by which I could arrive at any reasonable estimate in regard to income tax was to apply the Canadian income groups to similar income groups in this country. For the year 1945 the average Canadian income tax in the income group earning less than \$2,000 as applied to the Newfoundland taxpayer will amount to \$386,138. The income groups earning between \$2,000 and \$3,000 will pay \$620,527; between \$3,000 and \$5,000, \$996,425; between \$5,000 and \$10,000, \$1,561,014; between \$10,000 and \$30,000, \$2,003,625; over \$30,000 the amount will be \$1,239,120. A total of \$6,806,849. These figures are based on the average tax collected in each income group on the estimated totals for the year 1945 and are taken from the Canadian government official publication. Only 2.82% of our population are estimated to be income taxpayers for the year 1945, and this number will be considerably increased, probably doubled under the Canadian tax law. The exemptions will be reduced from \$1,000 to \$750 for single persons and from \$2,000 to \$1,500 for married taxpayers, and this will result, in my opinion, in increasing the total number of taxpayers in Newfoundland to 18,000 persons. In concluding these remarks in respect to taxes I want to point out that if we took the total Canadian revenues from taxation for the year 1946, which amounted to \$176.18 per head, and applied it to Newfoundland's population we get a figure of \$56,377,600.

Now sir, I want to make a few remarks about unemployment insurance. No doubt this insurance plan has a lot to commend it; but sir, it will not be of much use to Newfoundland. The majority of Newfoundlanders are employed at work not covered by the Unemployment In-

surance Act, although the Black Books state that lumbering, logging and stevedoring may be brought under the provisions of the Act within the next few months. Section 86 of the Act provides for the extension of the Act and also allows for the limiting of this extension to areas as prescribed by the Unemployment Commission as an insurance area; this does not mean that if the Act is extended to embrace all or any of the classifications of employment not now covered that these classifications would be extended to Newfoundland. No, for example, stevedoring in the City of Halifax could be included and brought under the provisions of the Act and the cities of St. John's and Montreal could be left out. It depends upon the regularity of employment in any classification of work as to whether or not an area would be prescribed as an insurance area. It appears to me that if the Act were to be extended to cover most of the present exceptions that it would be of little value to us.

Now sir, what is the position of the Railway workers in respect to the terms? I agree, Mr. Chairman, that the Railway workers will be offered corresponding employment with the CNR with all privileges and continuity of service accorded to the employees of the CNR. What does this mean? It means this — as the employees of both CNR and the Newfoundland Railway work under the provisions of signed working agreements, the continuity of service of both these railways are governed by the rules set forth in these agreements which are very similar in their scope. If, Mr. Chairman, the CNR should take over the Newfoundland Railway, then I say, if any time after that date, even one day after, it was decided to lay off any of the staff, the only thing necessary would be to give the required notice as set out in the working agreement covering the various classifications of workers, and employees would then be dispensed with in accordance with the length of time they have been employed. Required notice is sometimes as low as four days; others require up to a month. In any case, under the terms there is no guarantee of continuity of employment.

Mr. Chairman, I want to make a few remarks in respect to railway pensions. In the first place these pensions are paid out of operating account, and this year this sum is estimated at \$200,000. There is no provision in the terms in this regard,