

remarks, and as he had not finished when we completed yesterday, I was expecting too that he would complete his speech this afternoon, and that I would then reply to him.

**Mr. Chairman** I will not make a ruling on that point. I will simply rule that Mr. Hollett has the floor. First things first. If you are ready to proceed Mr. Hollett, I am ready to listen to you.

**Mr. Cashin** Mr. Chairman, if you don't mind, I am not trying to take the floor from Mr. Hollett, but it's been customary in debate in this House for any gentleman bringing in a report, or at least legislation, not to reply to every individual personally; he waits until the debate is finished and he has the privilege of replying then.

**Mr. Chairman** Except if there are questions put or implied, he has the right at the moment to reply to them, but he has to confine himself to that and that alone. I am not prepared, Major Cashin, at this time to rule on what Mr. Smallwood has to say until I first hear what he has to say. All I would say is that he has the final word, and the summing up. It is true, in the interim, he has the right to reply to any questions which may be addressed to him. As a matter of fact that is his responsibility and part of his duties.

**Mr. Hollett** Mr. Chairman, Mr. Smallwood has intimated that he wishes to reply to what I have said yesterday and what I will say today. I have not yet asked Mr. Smallwood any questions, and therefore I don't anticipate any reply from him on the point at all. If he wishes to, of course, that's another matter, but what I am trying to tell this House is a set of facts.

Yesterday I think I ended on a certain tax notice which I have in my hand, with reference to an amount of some \$28.62, levied on the estate of a deceased person in Cape Breton. The estate was valued at \$100, and the amount of taxes collected up to that time, at least the amount of taxes accrued in four years was \$28.62, and that consisted of the county rate, school rate and poll rate of \$7.13 per year. It has been intimated to me outside this House, that that is not the case all over Canada. I have also a notice which appeared in the *Port Arthur News Chronicle* on Thursday, November 6, dealing with the public sale of land because taxes and costs had not been paid....

I read that to show that in the provinces of Canada, as in Newfoundland when we are a province, monies have to be raised in order to pay

for social services and the servicing of the debt, and all other things pertaining to government in any province or country. These monies have to be raised, and the point I am trying to make, which I think nobody in this House can deny, is that if we give away our revenue-producing taxes now, if we give up our customs duties, if we give up the monies which the Assessor collects from our people, we lose about \$30 million in this country; and we still have to carry on the services for forestry, and various other things — justice incidentally has to be taken care of. So in order to raise the money we must tax. There is nothing left to tax except our land, homes, personal property, in other words real and personal property.

I think I have got almost as far as to say that, for the first three years of confederation, the Province of Newfoundland will have a revenue of \$11,462,128. You remember I accepted the irreducible minimum, and not the \$6,820,000, because, as I pointed out, your irreducible minimum is the only thing on which you can bank. The only guarantee from the Canadian government is that that will be paid and I showed you how, in one province in Canada, the irreducible minimum was last year all that could be paid, because the GNP and the population had altered to such an extent that it could not be increased. And so we go back to the beginning of union with a revenue of \$11,462,128, or, for purposes of reckoning, let us add another \$500,000 for the possible purpose of interest from our so-called surplus. Right here I must say that we are banking an awful lot on the surplus, \$28 million apparently. £9 million of that is in Great Britain, in sterling. That is \$15 million subtracted from \$28 million. That leaves \$13 million, if I am correct. There is no gainsaying that we may not have to do the same thing next year to market our fish or our iron ore. But let us say we have about \$12 million in this country in dollar funds. One-third of that will go to Canada to be placed at interest there, which we cannot use for current expenditure, which will leave us only about \$8 million. So don't let us bank on that \$28 million too much, a surplus is of no value to this country unless it is liquid, unless you can obtain it. If it is in sterling funds in Great Britain it might just as well be in the bottom of a mine. It is of no value to us unless it is liquid, if you like to pay for our fish or iron