

is gone and get on with the business before the Chair.

**Mr. Smallwood** I hope we will all observe that. Personally I would have been through by now if Mr. Higgins had not interrupted. Mr. Hollett, on Friday the 12 of December, quoted to the House an act of the Province of Nova Scotia authorising town councils and other such municipal bodies to collect taxes in their respective areas, and also setting forth the penalties which could be imposed by those town councils upon the residents in their areas if they refused or failed to pay their taxes. First let me ask you: this is a copy of the *Newfoundland Gazette*, and in it they have published the Town of Curling Act. Am I proper in quoting from it?

**Mr. Chairman** Oh yes, we must take notice of law.

**Mr. Smallwood** This refers to the town council of Curling. I assume it is similar to the other acts that apply to all town councils.

*[Mr. Smallwood read the act]*

**Mr. Smallwood** So there is nothing extraordinary, there is nothing unusual, when one of the provinces of Canada passes a law giving authority to the town councils in that province to collect certain taxes. In doing that, if they set penalties ... that is quite usual, and that is exactly what has been done in respect of town councils and city councils here in Newfoundland. There is nothing unusual about it. If you are going to give the town council the authority to collect certain taxes, you must also set up the right to punish the man who refuses to carry out the law and pay his just taxes. Now, what does it amount to? If Newfoundland becomes a province would the people have to pay taxes on their homes and boats and fishing gear, on their livestock and land, gardens and farms, generally on their property? Will they have to pay those taxes? And the answer is, "No, they will not have to pay those taxes".... They will not pay any taxes on property to the government of the province, and they will not pay any to the federal government of Canada. They will pay property taxes only if they have a town council, and as to whether they will have a town council or not is their own business. They decide that for themselves without any coercion from anyone else, whether it be the Government of Newfoundland or the Government of Canada, should we become a province.

That is all I want to say at this time about property taxes. I hope the other members will debate the matter. I would not like to see the matter hidden under a bushel. I would like to see it thrashed out. I would like the people of Newfoundland to know what the facts are — the truth, the whole truth, and nothing but the truth....

Now sir, I turn to another aspect of the speech of Mr. Hollett on Friday the 12th of December.... Mr. Hollett examined the estimates, or guesses if you like, that I brought in as to what revenue or expenditure the provincial government of Newfoundland will have to make, and what revenue it will have to get to balance its books — a series of figures designed to show whether or not the provincial government of Newfoundland could pay its way — whether Newfoundland, as a province, could pay its way officially. Mr. Hollett thought that we would need \$15,138,000 a year for the first four years, and \$15,638,000 a year for the next four years, and that on to that I should add something or other, I think it was \$4 million, to bring the total up to around \$19 million. It was Mr. Hollett's contention that the provincial government of Newfoundland would need \$19 million more or less to pay its way, and as I had shown a revenue to go against the expenditure from all sources of only \$14 million that therefore we would be about \$6-7 million short.

**Mr. Hollett** \$5 million.

**Mr. Smallwood** Yes, \$5 million short to balance our budget. We would fail by \$5 million. Mr. Hickman put the figure I believe at \$17 million, but Mr. Hollett upped it a bit and brought it to \$19 million. I want to examine it, because that is a matter of prime importance. I said when I introduced the provincial budget so-called, that if the provincial government of Newfoundland could not pay its way and balance its budget without cutting down on the public services, and without driving up taxation, then that alone was enough to condemn confederation. I said that at the outset, and I repeat it now. Now we have a yardstick to go by, and that is the Economic Report. The Economic Report gave us an estimate of \$30 million revenue per year, and an expenditure of \$25 million per year. The \$25 million was to cover all ordinary expenditures of the Government of Newfoundland — all ordinary expenditures. It did not include capital, or reconstruction, or special, just ordinary expenditure, and that