

government would spend each year — \$15,138,000 a year to cover all expenses of the Government of Newfoundland each year for the first four years of confederation.

The figures given are an estimate.... On the average to spend \$15,138,000 a year for the first four years.... Now we come to the second four years. We start off with \$15,138,000, and I add to that another \$500,000 a year to cover increased expenditure and new services, so that on existing ordinary expenditures of the government, on things that would be provincial if we became a province, I have added for the eight years \$1,258,000, added on per year for the first eight years of union, \$1.25 million to cover the growing public services of the country which will call, of course, for additional expenditures each year.

So that's the first half of the story, and the longest part I may say. The government of the Province of Newfoundland would spend, that is the money it's got to get to break even, for the first four years of union, average \$15,138,000 a year, and for the second four years of union it has to get \$15,600,000 a year, and if it does not get it, it cannot balance its budget, it cannot break even.... I don't need to remind you of why I have taken eight years, because within eight years of union there is to be a complete reassessment, a financial review, to see if the subsidies are, or are not, enough to enable Newfoundland to pay her own way.

So now we come to the revenue side, to see if it is possible and practicable to get that much money to meet the expenditures of Newfoundland. I am sorry that I have not been able to get this mimeographed. I promise you it will be on the table by tomorrow afternoon, and every member will be able to study it at his leisure, but I completed typing it only about half past two this afternoon, after being working on it since Thursday last week, and it is only since lunch today that I got it completed. Now, if you will turn to your estimates on the revenue side, in the beginning of the book.

Mr. Hollett Excuse me, is this revenue?

Mr. Smallwood Yes.

Mr. Hollett Couldn't we wait until we get the mimeographed copy?

Mr. Smallwood No, we have to get so much done and this will only take a short time...

Mr. Hollett We want that before us.

Mr. Smallwood It's so short that you can write it down as I read it. It's so short.

Mr. Hollett All right, you go slowly will you?

Mr. Smallwood You take it down, and I promise you tomorrow you will have it on your desks. Now, if you will turn to page 6 of the estimates, you will find that the present year our present government has estimated, under the Department of Finance, that they will take in a revenue of over \$400,000. I estimate only \$71,600 if we become a province. These items are: no. 1, inland revenue stamps \$60,000, but I have only estimated \$50,000, because some of that would be federal.

Mr. Cashin All of it would be federal.

Mr. Smallwood No, I beg your pardon, I happen to know what I am talking of, time will tell that.... It is, nearly all of it, on legal documents. Nearly all of it. Now some of these legal documents would be federal, but most of them would be provincial in character. Therefore I estimate that \$50,000 of the \$60,000 would come to the province, and then also the \$14,000 for item no. 2 would remain, and that gives you a total of \$71,600 to the province from the Department of Finance....

Mr. Cashin What about the interest on our exchequer balance?

Mr. Smallwood I have that covered, but not under this heading; you will find it further down. Major Cashin will see the reason for that when we come to it. Then you go on to the Department of Posts and Telegraphs, on page 8, and from that department the only revenue we would get, as a province, would be 10 and 11, tax on cablegrams and code messages, and tax on land cables and wireless stations, \$15,000 and \$72,000. All the rest would be federal. If it were collected it would be by the federal government, but the provincial government would collect \$87,000.

Mr. Higgins The provincial government only gets nos. 10 and 11?

Mr. Smallwood That's right, a total of \$87,000.

Mr. Higgins There's another tax.

Mr. Smallwood So there might be, but I am talking now of provincial government revenue. Department of the Assessor, we would get \$20,000 out of \$10.5 million, and the items would be nos. 4, 5 and 6, namely \$1,500, and \$17,000 and \$1,500; right, that is \$20,000.

Mr. Cashin It's \$18,500 if I know how to add.