

would come into Newfoundland free of duty.

Mr. Cashin Point of order. We are not discussing the Canadian tariff; we are trying to discuss this federal estimate of the revenue which the federal government would get. I held, and I think I am in order, that these figures are not correct. They should be corrected by the Assessor of Taxes, and also by the Secretary of Customs who is also a competent gentleman. Let us see if these Canadian officials made a proper survey of our situation.... Maybe they are guessing here. I have just as much right to guess.

Mr. Chairman The only point is this: we would have to go a step further and see the way these figures have to be checked. These figures are predicated on the assumption that the BNA Act is superimposed upon this country. It is an estimate as to the probable revenue which would be collected under section 91. I have to hold that the system of excise and customs duty as presently obtaining in Canada has to be taken into account when determining whether or not these figures are correct....

Mr. Hollett Did I understand you to say that duty on dutiable goods was 10%?

Mr. Smallwood If you take the total value of all imports into Canada, dutiable and non-dutiable, and divide that value by the total amount of customs duty the government collects, it is 10% as against 25% in Newfoundland. It varies — some years 9%, some years 10%, some 11%, depending on the total imports and the proportionate cost in the same year.... We have here an estimate by the Government of Canada — \$20 million that they would collect from the people of Newfoundland. Of that \$20 million, \$2 million consists of customs and import taxes. Mr. Cashin makes the point, if you take our trade last year at \$30 million from the United States...

Mr. Chairman \$25 million.

Mr. SmallwoodBefore the war, in normal times, we did import a lot of goods from countries other than Canada. As a province of Canada we would import from countries other than Canada only such goods as Canada could not sell us, or which she could sell, but which we could buy in other countries, pay the Canadian duty and still land it cheaper than we could buy in Canada, which we would be free to do.

[Short recess]

Mr. Smallwood Something just occurred to me

in connection with this little discussion. In this total \$20 million which the Government of Canada estimates it would collect, there is an amount of \$2 million, customs duty and import taxes — 10%.... Here are the latest public accounts of Canada. Percentage distribution of the revenue, 4.28% of the total ordinary revenue. In the case of Newfoundland, 10% of the revenue they would raise here.... If our imports as a province were of the general order of the imports into the nine provinces, then they would be collecting 4.28%; and whatever 4.28% is, it is less than \$2 million....

Mr. Butt In the case of the 10%, Black Book, volume 1, page 123:

In comparing Canadian duties with those levied by Newfoundland, differences in the composition of imports must also be kept in mind. In 1945, the ratio of import duties collected to total imports into Canada was only 10.6%, and in 1944 it was still lower at 10.1%. However, it must be recognised that these figures were greatly affected by heavy imports of duty-free raw materials of little interest to Newfoundland.

I judge from that the figure taken is 10%. It does not make sense to me.

Mr. Smallwood There is absolutely no connection whatsoever between what I am talking about and what Mr. Butt is talking about, except the purely accidental coincidence of 10% in each case....

Mr. Crosbie Where is the \$20 million you are talking about?

Mr. Smallwood Grey Book, page 15. I am not putting 10% on anything. They collect \$20 million. Of that \$2 million is customs and import duties — that is, 10% of the revenue they would collect from the people of Newfoundland in taxes.... But the average of all Canada, for all the revenue they collect from all the people of the nine provinces, they estimate customs duties accounts for 4.28%.

Mr. Crosbie I cannot accept Mr. Smallwood's explanation. I do not know if these experts ever sat down and figured it out; how are they going to collect 10% of the total revenue in customs duties? It does not make sense.... There is no expert born who would figure customs duties 10% of the total revenue. There is income tax, death duties, tobacco tax, sales tax, etc. The thing