

account of a trial of a famous Dutch painter. This man was on trial for collaboration with the Germans when they were in Holland. He was accused of selling to them some of the world's famed Dutch paintings. His defense was that the paintings were not genuine, but were all fake. Experts were called in, not Canadian experts, to express their opinion, and experts agreed that the paintings in question were genuine, 200 to 300 years old. The accused Dutchman was in a tough spot. In order to clear himself he dumbfounded the experts by showing how he did it; how he mixed the paint to make them seem 100 years old, and how he prepared the canvas to give it an aged appearance. And before the eyes of the experts he showed that the pictures, supposed to be genuine, were really fake pictures; and while he himself was a faker, that those who believed the pictures were genuine fools to have been taken in.

I am not insinuating in any way that our good member for Bonavista Centre is a faker — far from it. But I do think that the picture is comparable inasmuch as what seems to be a genuine thing to many people, when closely examined is not genuine at all. There have been times since this Canadian business has been debated and as I listened to Mr. Smallwood's description of Canada, I have wondered if it were not some never-never land that he was talking about, or the lost Atlantis that some of the poets have written about. Mr. Smallwood's description of that country leaves an overall picture of a present-day Utopia, where the sun shines every day and where everyone goes singing on his way. One is reminded of Mr. Macaulay's rhyme that we learned in our school books:

Where the rich men help the poor,
And the poor men loved the great,
Where the spoils were fairly portioned,
And the lands were fairly sold,
And all men lived like brothers,
In the great days of old.

But unfortunately we are not living in the great days of old. We are living in an age that can best be described in terms of dollars and cents rather than in poems. And the issue before us here in Newfoundland is whether we want to have another country take us over, or whether we want to go on being Newfoundlanders.

There are certain indisputable facts which I

did not manufacture. They are published by the Canadian government, and these facts we must bear in mind in connection with this confederation, because they have a most serious impact on our position as part of Canada. In 1945, 2,365,000 people paid income tax in Canada. On a per capita basis, an average of one person in every family in Canada, that amounts to \$288 per person. A single person earning \$750 a year up and pays income tax...

Mr. Smallwood What year was that?

Mr. Reddy In Canada.

Mr. Smallwood What year?

Mr. Reddy A single person earning \$750 per year.

Mr. Smallwood What year?

Mr. Reddy I didn't say any year. You can go to your books...

Mr. Smallwood No, you were quoting some figures for some year, what year?

Mr. Reddy 1945.

Mr. Smallwood 1945, during the war.

Mr. Reddy In this country a single person has to earn \$1,000 before he's subject to income tax. According to the Canadian index from which I give these figures, in 1945 the federal government collected in taxes an average of \$142 per capita. This you will please note does not include the various provincial and town taxes, which are numerous and add up to a large figure per person. In Newfoundland in 1945, the per capita tax collected by our government amounted to \$115 per person, or just about a quarter of the amount collected by the Canadian federal government. And please bear in mind, that outside of St. John's and the other places where there are town councils, there are no additional taxes in Newfoundland. Now apart from the federal tax in Canada the provinces imposed additional taxes, and there are I believe eight of these taxes, the most important ones being gasoline tax, liquor tax, corporation tax, public domain tax and the Dominion of Canada subsidies system. Referring to the liquor tax, I am very much afraid that under confederation our good old Newfoundland screech would even be taxed. During the past year I have been meeting and talking to quite a few Canadian businessmen and others here in St. John's, and I have been inquiring about the tax situation in Canada. They relate a long litany of taxes, some of which I never have heard before,