

foundland question. They did try to give a picture of how it might be in the foreseeable future. I do think we should show how much money we are going to receive as a province and what the difference will be between that, and what we will need for expenditure. That much has to be raised — the difference between what we get from Canada and what has got to be raised from taxation. I think that ought to be brought in here so that we can discuss that, as we did the Economic Report, and let the people see what has to be raised and from what source it has to come. It is my guess that we are going to be \$2 million or \$3 million short on provincial revenue after paying 8% of sales tax and all other taxes. We have to get the provincial side of it. I would rather have the people see both sides. I do not want to hide anything — how much have they to pay and who is going to pay? I do not know whether it would be in order to make any motion along those lines. I know Major Cashin introduced the subject earlier in the evening. I would prefer for him to express his opinion.

Mr. Chairman I suggest, if that is going to be done, we might rise the committee; I go back to the Chair and then, if need be, put the motion before the Chair and call for a discussion is, if it meets with the approval of the House.

Mr. Smallwood This is unexpected. It is not at all, as I understand it, in line with our discussion and decision of last night. My understanding of what we decided to do last night was that, pending the time we should have some idea put before the House of the purely provincial taxation, we should go ahead first and discuss federal revenue and expenditure. That is what we are doing. On that, if the House is not satisfied with the estimate of the Government of Canada, of the experts of the Government of Canada, and cares to solicit estimates from anyone locally, there is nothing in the way of doing it. But why not dispose of the question of federal government revenues and expenditures for the Province of Newfoundland, if we became a province, before taking up the question of provincial government revenues and expenditures? Whichever we take first, we must take one of them first. You cannot jumble up federal expenditure and revenue with provincial expenditure and revenue. You have to take one of them at first. It so happens it is more convenient to take federal. That is what we have been

doing. After all is said and done, it is perfectly true that we have got to consider what would be the revenue of the Province of Newfoundland; where it would get the revenue; what would be the expenditure of the provincial government. While we have to do that, is it not important also to know what the federal government will spend in Newfoundland, and what it will take from the people of Newfoundland in taxes? Why not go into that for a day or two and spend the rest of the week on the provincial government expenditure?

Mr. Chairman Except for this point, I agree with your contention that we are discussing probable federal revenues and expenditures with respect to Newfoundland. That is quite so. In the course of your own remarks, Mr. Smallwood, you have pointed out that when this is finished, inevitably we must come to the time and place where we have to deal with purely provincial aspect of it. Now, members — at all events Mr. Hickman and Major Cashin — seem to be of opinion that they are not in a position to discuss the provincial aspect of it when we come to it. That raises the question as to whether or not it is necessary to secure supplementary information.

Mr. Smallwood I thought they were addressing themselves to the federal government revenues and expenditures.

Mr. Chairman Would you allow me to finish? Assuming we have to come to the provincial aspect of it, some members feel that they have not sufficient data on the purely provincial side in order to be able to determine with any degree of accuracy, the impact of section 92 of the BNA Act upon the productive economy of this country, if and when we become a province. That being so, at this time, there is an inquiry as to whether that information should not well be secured from some source or sources; if that is so, it is my duty to facilitate members into an intelligent discussion of this thing. If some machinery has to be set up in order to discuss the provincial aspect of it when we leave the federal aspect, the sooner it is set up the better for all concerned. Even if the debate continues for several days, the machinery would be set up to secure the information and could be operating, which would minimize or eliminate a prolonged adjournment....

Mr. Smallwood My understanding was that Mr. Hickman and Major Cashin was questioning this table, this estimate of the federal government