

worked out how they arrived at that particular figure of \$2 million. I would ask Mr. Smallwood just how they worked it out and how they got it.

Mr. Smallwood The reply is, we did not work it out. The table was worked out by the financial and fiscal and trade experts of the Government of Canada — the very men upon whom the Government of Canada depends for its fiscal and financial policy; it is these very men who advise the Minister of Finance in his budget; the very men who derived this table. It was precious little contribution that Mr. Burry, Mr. Crummey or I made to these financial experts — that is, in compiling that table — precious little. I thank Mr. Hollett for the compliment to our ability; but compared with these financial men, we are just clod hoppers.

Mr. Hollett I know that. We sent you up there as a delegation to go into the implications of union with the Dominion of Canada and to bring us back those so-called terms. You bring us back a table saying the federal government will collect \$2 million from us in customs and import duties in the event of confederation and you or Mr. Burry or Mr. Crummey should be able to tell us how you arrive at that figure; if not, some people from the Finance or Customs should know.

Mr. Smallwood We asked the Government of Newfoundland to furnish us, as a delegation going to Ottawa, with men from the Customs Department, from the Assessor's department, from the Railway and Post Office. We did indeed. The reply of the government was, in their opinion we did not need those men; that any information we wanted we could get before we went; after we got up there, if there was still information we needed, or the Government of Canada needed, the Government would be very happy to furnish that. All we had to do was write or cable. In common fairness, I would say that any information we sought before we went was given us. Any information we sought after we went, was given us.

Mr. Hollett You took up there certain facts and figures; you passed them over to the men on these various committees; you had nothing whatever to do in making up these tables, submitted to us, at all. You were up there 100 days and you know nothing whatsoever as to how these figures were arrived at.

Mr. Smallwood That is, approximately, the

situation — shameful and disgraceful as it is.

[Short recess]

Mr. Hickman I am not quite sure where we are getting. I have been somewhat confused myself this evening. I do not know if the people listening in feel any better. I think we ought to get down to some basis of clarifying the procedure on a particular question or questions. I think it involves two questions. We have been discussing federal revenue. Now, are we straight on that? As Major Cashin said earlier this evening, these figures here may have been guesses or not. He does not agree with them. I agree with him. He made a suggestion with regard to page 15 of the Grey Book. I think we ought to get those figures straightened out; get as near as possible a more accurate corroboration either from Mr. Allen of the Assessor's Department or from Mr. Howell of the Customs, if it is possible to do so. We have been kind of wandering around from taxes to taxes. That is just the federal end. We have to get into the provincial end. On income tax we seem to have skipped over a lot. I note in Canada in 1945 — I daresay it was higher in 1946 and 1947 — the total income tax collected was \$650 million. Out of that, people earning under \$1,000 paid \$18 million; between \$1,000 and \$2,000, \$139 million and \$140 million. That is not the high income tax people. The high income tax for 1945 is on page 232 of the book you have. These things have to be brought out a little better. In addition there is sales tax of 8%. We read the list of goods that are exempt, but the list it is on are not in the Black Book. There is a whole lot of taxes goes on before the sales tax of 8%. I am not going to read them. Mr. Smallwood just mentioned the indirect taxation which he does not like. In Canada they have a lot of that too. For example, on a pair of shoes there are 126 taxes; on a loaf of bread 52 taxes; on a suit of clothes 105 taxes before it gets to the consumer in Canada.

Mr. Smallwood How does that compare with Newfoundland?

Mr. Hickman These taxes would be on if we became a province. I am talking about, if we went into confederation. Referring to federal revenue, I think the members ought to have before us a sort of provincial budget — provincial revenue and expenditure. The Economic Report was brought in by the Finance Committee on the New-