

has broken that down into per capita taxation at so much a head. Let us deal with that for a moment. The revenue of the Government of Canada — \$2,200,000,000 — is from all the people of Canada; but in fact the Province of Ontario alone contributed half the revenue.... It has a population of four million people. It is a very high per capita tax, is it not? But the other billion dollars is to be divided among 8½ million people. From the other 8½ million people, take the 3½ million of Quebec. What have you? The per capita tax for the other provinces is very small. The Government of Canada, the Minister of Finance does not say at the beginning of the year, "We are going to spend that, that and that. A total of \$2 billion. We have to get \$2 billion. There are nine provinces. Nine divided into \$2 billion, therefore we must get that much from each province." Neither does he do this: "Our population is 12.5 million souls; divide that into \$2 billion, that is so much per head; every head has to pay that much." He does not do this. He says ... "Let those who can pay it, pay it." There is an exception and that is indirect taxes. Indirect taxation is the most cursed, the most wicked thing ever invented. Direct taxation is fair. You know what you pay. Indirectly, you can be looted and fleeced. You never know how much is looted out of you. They have it in Canada. I wish they did not. In Newfoundland, the bulk of taxes has come from indirect taxation. It is a wicked and cursed burden on our people, a much heavier burden than in the case of Canada. In Canada, the bulk of taxation is raised by direct taxation, falling on the shoulders of those who can best afford to pay it. In Newfoundland, the very diapers on the baby born tomorrow morning will be taxed; the coffin in which you are buried will be taxed — a cursed, wicked imposition on the people of Newfoundland. If we could abolish this wicked imposition; if we could do that; if some genius could do it; I think I would throw confederation and all out the window — if we could find a fair system of taxation, those who could afford to pay, and those who could not afford it would not have to pay.

Mr. Bailey I said I was not interested in direct taxation; all I was interested in was indirect. What is the difference in the indirect taxation of Canada and our taxes? I think you will find it is \$43.36. Indirect taxation goes on the diapers; it is on the

diapers in Canada and will be on the diapers if we enter confederation. How much tax has Newfoundland paid to Ottawa on the \$39 million we imported? If we send \$30 million to Ottawa, we help pay their taxes. Not only are we helping to pay their taxes, we are helping the men who worked in the factories. I say this without fear of contradiction: every person in Canada is paying proportionate parts of Ottawa taxes; 82% of all industrial dollars is put in by two provinces and 7% by British Columbia.

Mr. Smallwood What percentage of the total is 89?

Mr. Bailey If for every dollar of industrial money in Canada, 82% is invested in Ontario and Quebec and 7% in British Columbia — 82 and 7 is 89; and 89 from 100 is 11%; 11% of the industrial dollars is invested by the other six provinces. Consequently, Ontario pays and Quebec pays and the other provinces pay.

Mr. Smallwood Of course. I am black in the face from saying it.

Mr. Bailey I would like to know the proportion of taxes we paid into the treasury last year out of this \$30 million, into Ottawa. You are cursing the taxation of this country. I was fortunate in getting the figures and working them down. There is the percentage of indirect taxes — sales tax and other excise taxes and they will go on from the cradle to the grave. You are trying to tell us that by going in with Canada we will be getting clear of indirect taxation. Look at the direct taxes — \$96 per capita. I know I am not paying as much as Mr. Crosbie or Mr. Hickman or Mr. Job in the long run; but if I catch 50 quintals of fish and sell it to Mr. Crosbie, I paid a couple of dollars of his tax. We have wasted a lot of time on this hyphenated heifer dust.

Mr. Hollett I think we are getting away from the subject — this \$2 million import tax and customs duty. I am anxious to know how it is raised. I note on page 7, volume I of the Black Books, a "Sub-committee on Finance composed of Mr. J.E. Coyne, Dr. R.A. MacKay, Mr. M.W. Sharp and Mr. G.S. Watts of the Public Service of Canada, and Rev. Lester Burry, Mr. P.W. Crummey and Mr. J.R. Smallwood of the Newfoundland delegation, to examine the financial implications of union...." We have three delegates — Mr. Burry, Mr. Crummey and Mr. Smallwood who sat in on that. I take it that at these sessions they