

**Mr. Smallwood** Well Mr. Chairman, I'm afraid that if Major Cashin thinks that he put more information into his Finance Report than we had about the Railway in our Transportation Report, he'll have to check it all over again. There's a thousand times more information about the railway system in our report than there is in the Financial Report, and that's what you'd expect...

**Mr. Chairman** Now order, gentlemen, please.... I suggest we proceed on the assumption that however bad or however good it may be, the members put their all into it, and to me it's a very imposing document, and I'll need to hear a great deal of argument before I can conclude otherwise. But I don't think it's proper at this juncture to make any comment upon the amount of work which may have put in by any of the individual members who were instrumental in composing or compiling the report.

**Mr. Smallwood** Sir, I agree completely with you and no one has praised the Financial Report more than I have done.

**Mr. Cashin** I don't want to be half-accused of misrepresenting...

**Mr. Smallwood** No, no, there's not a case of...

**Mr. Cashin** You're trying to put across there this evening.

**Mr. Chairman** Gentlemen, please bear in mind that opinion is a matter of judgement upon which men might reasonably differ. A man can be quite erroneous but still honest in the expression of his opinion. Any opinion that any member draws from any document tabled in this house isn't necessarily dishonest because he may be erroneous in the conclusions to which he arrives.

**Mr. Smallwood** Now at the point at which Major Cashin interrupted me ... I was trying to show the total expenditure of the Newfoundland government from 1900 to 1947 each year. And I put in those figures everything they spent, whether it was on ordinary, special, reconstruction, capital or any other account, the total of it each year. And Major Cashin arose to point out that I was lumping them altogether, all the expenditures, and in reply to that I say yes, that's exactly what I have done — the total amount they've spent every year is the figure that I've got down.... Sir, you wouldn't remember, because it was before your time in this Convention, but I moved that the Convention desired to get the Government of Newfoundland to provide us with

the services of an expert statistician-economist, so that we would have his services in compiling certain figures and statistics about our country's affairs. That motion unfortunately was defeated and we never got the statistician-economist.... If Major Cashin should ever become Minister of Finance in Newfoundland, he can never be successful unless he has a certain kind of information which he hasn't got, which I haven't got, which nobody has, because its not to be got in Newfoundland until the proper steps are taken to get it. And here it is. This present year we're told that the government is taking about \$40 million from the people in taxes. Is that right?

**Mr. Cashin** No, about \$38 million, I suppose.

**Mr. Smallwood** \$38 million or \$40 million the government is taking from the Newfoundland people this year. Could Major Cashin tell us, or could anyone tell us, what proportion is that \$40 million of the total wealth produced in Newfoundland in the year? Is it 10% of all the wealth produced for the year? Is it 20%, 30%, or 40%?.... What proportion is that \$40 million of the total wealth produced by the people of Newfoundland this year? He doesn't know. I don't know. No one knows. Every other country knows this. The Minister of Finance, when he brings in his budget, can safely take say 12% of the total wealth produced in his country for the year in taxation, and that won't be too heavy a burden on the people of his country, or it may be 15%, but he knows exactly what percentage he can safely take in taxes out of the total wealth produced in a year. Now we haven't got that in Newfoundland because we don't know the value.

**Mr. Chairman** Are you addressing a question to Major Cashin at this time, Mr. Smallwood?

**Mr. Smallwood** Well sir, I'm afraid what I did was address the question to him and then I answered it for him.

**Mr. Chairman** Now, so that we know where we are, is your question this? That you're asking the chairman of the Finance Committee what proportion of the value of the productive economy of the country was exacted by the government in taxation over that same year?

**Mr. Smallwood** Yes, that's my question. I wonder would the Major answer that for me?

**Mr. Cashin** I'll give you an approximate idea.

**Mr. Smallwood** Well, how approximate?

**Mr. Cashin** I should imagine that the total earn-