

when you take your total imports into Newfoundland for a whole year, and take off from that total the things that do not pay the sales tax at all it comes to a very large figure. Last night, until late this morning, after I went back at 11 o'clock from this chamber, I took up the Newfoundland Customs blue book for March, 1946. That happened to be the latest issue I had in the house, and I discovered that in the year 1945-46, ending roughly a year ago, Newfoundland imported nearly \$66 million worth of goods. Out of that, here are the goods that would pay no sales tax, none at all.

Fresh foods, \$1 million

Flour, \$2.5 million

Animal and poultry feed, \$600,000

Hay, \$170,000

Fertilisers, over \$100,000

Meat, beef and poultry, over \$1.5 million

Butter, over \$200,000

Cheese, over \$300,000

Milk, around \$1 million

Sugar, around \$1 million

Vegetables, around \$1 million

Eggs, nearly \$500,000

Salt, over \$500,000

Building materials, well over \$1.75 million

Solid fuel, nearly \$4 million

Animals and livestock, over \$1 million

All that was imported last year, nearly \$18 million in that list, and on top of that you can put another \$3 million at least, because I could not get it all out of the book, and it shows a total of about \$21 million worth of Newfoundland goods that would pay no sales tax at all — none. Now you take that \$21 million from the total \$66 million we imported, and it leaves \$45 million worth of goods that would pay the sales tax; \$45 million is subject to sales tax, but you can add to that another \$5 million to cover locally produced articles that would also be subject to the sales tax, and it is a total of \$50 million. Eight per cent sales tax on that \$50 million would be \$4 million altogether. Now, sir, turn to the Grey Book, and turn to the Canadian government's own estimate of what revenue they would collect from us under confederation, and what do you find? You find that their estimate of what the sales tax would bring them is \$4 million.

**Mr. Chairman** Do you want a recess?

**Mr. Smallwood** No, sir. Is there only one steno-

grapher? I would like to save all the time possible, and I want to use up every moment to answer these points. No thank you, sir.

So you see, Mr. Chairman, it was no guesswork after all on the part of the Government of Canada, when they estimated \$4 million revenue from sales tax; no guesswork, but highly scientific, accurate, knowledgeable facts.

Possibly I spoke too quickly there, sir. I have noticed that the members do like a recess for five or ten minutes, because it gives them a chance to get a breath of air and gives me a chance to get a smoke, so if you don't mind, I think I will take it.

[Short recess]

**Mr. Smallwood** Mr. Chairman, there is one statement by Major Cashin that needs to be cleared up, and that is his statement that the people of Newfoundland would be compelled to pay their proportionate share of running the Government of Canada. Just what did he mean by that? Take our own government here in Newfoundland for example, our present government or any past government. Does Major Cashin mean that the Newfoundland people were not compelled to pay their proportionate share of the cost of running our government? And what does he mean by proportionate? Take this very year. The present government are collecting \$40 million from all of us in taxes, that is \$120 a head, or say from a family of five, \$600. That would be the proportionate share, \$120 a head, or \$600 per family. Now does every person pay his proportionate share? Does every family? Of course not, because those figures are only average. Some persons and families pay much more, some pay much less. The government does not send a bill to each person in each family each year for \$120. Or look at it another way. Does it mean that every settlement in the country must pay its proportionate share? Does our government collect a certain fixed amount from every person or every family, or every settlement? Of course not, there just isn't any such thing as a proportionate share. That's just a word, and in this connection it means nothing. That simply is not the way the Government of Canada collects its taxes. It does not start off by saying, "Now, we will need so much for the next year to run the country; we will collect an equal or proportionate amount from every person and family in Canada." Do they do that? No, they don't. Do they say, "We have nine