

and for the second four years of union \$77 per head. Now how does that compare? If you go back to the year 1943-44 in Newfoundland our per head taxation was \$90.

**Mr. Hollett** Excuse me, may I interrupt you? You are not forgetting are you, that the federal government are still going to collect income tax, and...

**Mr. Smallwood** I just put that in at \$20 million, the whole of it at \$20 million, prefacing my remark by saying that if we can assume that the federal government has estimated \$20 million as the amount that they would collect in taxes, as a realistic estimate, a fairly correct estimate; if we can assume that ... for the sake of argument...

**Mr. Hollett** Excuse me, what would be the taxation per head then?

**Mr. Smallwood** I have just told you, assuming that \$20 million that the federal government would collect from us in the first four years of union, and the \$4.5 million each year that the provincial government would collect from us, that is a total of \$24.5 million, or \$75 per head.

Now I said that, but I am glad that Mr. Hollett made me say it again. To tell you the truth I am glad I had the second chance to say it. Now then, compare that with the per head taxation that we had on us in 1943-44. Our government taxed us in the year 1943-44, \$28.5 million. Our population that year was 317,000 souls, and so our per capita taxation was \$90, in 1943-44. Now take this present year. They tell us that the taxation put on us this year by our Newfoundland government is \$40 million.... Our population is 327,000 souls, that is \$122 per head. \$122 per head is our taxation here in Newfoundland this very year, \$122 a head on the average, remember. We know there are thousands of people in Newfoundland that are not paying \$122, and there are other thousands that are paying \$2-3,000 a head, but on the average it is \$122 a head today, whereas if my estimates are anywhere near the truth, and if the Canadian government's estimates of what they will take from us are anywhere near the truth, the two of them together would be \$75 a head from the Newfoundland people....

Now go on for the next four years of union. In the next four years, every year, the provincial government taxation would be \$5.5 million and the federal taxation \$20 million, which is \$25.5 million altogether that the two governments

would take from us, which is \$77 a head compared with \$122 a head this very year. Now somebody is going to say to me, and very fairly, "Aha, your provincial estimate may be somewhere near the mark, but we don't agree with the Canadian government's estimate of \$20 million." Major Cashin thinks it is 20% out. In other words, if he were making it he would add another \$4 million to it, and make it \$24 million that the Canadian government would take from us. All right, I will go a step further and put \$5 million on it. Then what do you get? I will stick \$1 million on provincial taxation and another \$5 million on federal taxation, and the per head taxation then is \$93 ... compared with \$122 per head that we are paying this very year, and I agree that we are paying far too much. \$40 million is far too much to take out of these 327,000 living souls. Too much.

Well, sir, that's the story. I could go on and on and on like Tennyson's brook if there was any end of it. Tomorrow I will have these figures of revenue mimeographed, and they will be on every man's desk with the notes that I explained as I went along to explain these revenues. I hold, in conclusion, that if we become a province of Canada with our own provincial government, with the Government of Canada taxing us and the Government of Newfoundland taxing us, two governments taxing us where we only have one government taxing us now, I hold that the provincial government will pay its way for the first eight years of union, and that's all I am required to show. I don't have to go a day beyond the first eight years, because, inside of eight years there's to be a royal commission to assess, or reassess our financial position to see if we need more subsidies. I hold that I have shown that for the first eight years of confederation the provincial government of Newfoundland can pay its way, and can do so without putting burdensome taxation on our people. I will take that back, all taxation is burdensome. Further, sir, they can pay their way without reducing our public services, but on the other hand, instead of reducing them, increasing them, giving our people more and better public services than we have now; that the provincial government can do that and pay its way for the first eight years of union, and sir, that being the case, I think I have shown what I was expected to show, and there is not much point in