

tion of revenue and taxation and expenditure?

**Mr. Higgins** This in no wise prevents your referring to it later on. It is merely letting the house and the people understand what it means.

**Mr. Smallwood** I understand very thoroughly what Mr. Higgins means. But what is the need for us to debate it now when we are going to debate it thoroughly later on?

**Mr. Higgins** Well, it is much more important than discussing Canadian broadcasting.

**Mr. Smallwood** If you don't want to discuss Canadian broadcasting, let's discuss something else.

**Mr. Higgins** What?

**Mr. Smallwood** What is the good of deciding something in these private meetings and then go right back on it again? That's why I did not want to attend that meeting yesterday. We attended a meeting the night before, and discussed a lot of things, and then came in here at a public session and turned it right upside down again.

**Mr. Hollett** Mr. Chairman, may I speak now? I insist, sir, that there was no agreement at all, and I don't want to refer back to that Steering Committee at all.

**Mr. Chairman** I don't think I should be put in a position where I have to rule on it.

**Mr. Hollett** If I may, if there was any agreement whatsoever it was the matter of the probable federal revenues and expenditures, and the probable budget that one might conjure up if we became a province. Now these things here to which Mr. Higgins has referred are customs and excise duties which are in effect at the moment, and neither Mr. Smallwood nor myself can alter them, and there is no reason why they should or may be altered before we enter into confederation. These are things which are not relevant to the matters which we cannot discuss before we get certain information asked for; and I insist that Mr. Smallwood is making a misinterpretation, not intentional I suspect, but there are certain things there that our people do not know, and I want them to know, and I hope Mr. Smallwood does that.

**Mr. Bailey** There is one thing here that struck my mind...

**Mr. Chairman** If you don't mind, Captain Bailey, I want to settle the matter before we go on. It is with the greatest reluctance that I make any reference at all whatsoever to the meeting of

the Steering Committee which occurred yesterday afternoon; but I feel it is correct to say there was no unanimity of opinion as to the procedure to be employed between then, yesterday afternoon, and Monday afternoon next. My impression is that perhaps a slight majority might have had what Mr. Smallwood suggests in mind, but I am quite sure that that was not unanimously agreed to, because one member very emphatically stated that he would not consider himself bound by any such decision, even if it were arrived at; and secondly, it will have to be remembered that a decision of the Steering Committee is not binding upon the Convention at all. It is a recommendation as to the procedure to be followed in a given case, which may be accepted or rejected by the Convention and therefore I do feel there is no useful purpose to be served in debating, or trying to break down the probable revenues and expenditures as set forth in pages 15 and 16 of Annex IV, until the information requested from the various governments and government departments is forthcoming, and Mr. Smallwood introduces his breakdown of the figures in question. But, Mr. Smallwood, while it may very well happen that miscellaneous excise taxes and sources of revenue of \$1.5 million is an item included in the probable revenues estimated by the federal government, I think that might be deferred until Monday for the reason that we have decided, at least I think we ought to decide, to defer discussion in this matter. But surely, surely, in discussing the meaning of excise duties, its effect upon the economy of a country is something entirely different from trying to show how the figure of \$1.5 million miscellaneous excise taxes and other sources of revenue is arrived at by the federal government. Is there anything wrong in principle in discussing the meaning of excise taxes?

**Mr. Smallwood** Without reference to actual rates of taxation?

**Mr. Higgins** No.

**Mr. Smallwood** How exactly?

**Mr. Higgins** Why should they be hidden?

**Mr. Smallwood** Well, they are not to be hidden. I am not trying to hide this confederation thing. I am the last man in Newfoundland to do that.... Let the guilt lie where it belongs, not on me.

**Mr. Chairman** Now, now, now!

**Mr. Smallwood** No sir, there is the accusation