

**Mr. Smallwood** All right; if Newfoundland railways become CNR and you have to pay less than half what we are charged now, if you can get a berth for half what we are paying now, you will be glad to pay 35 cents tax. You are still saving dollars and dollars. The other question is, Mr. Fogwill has compiled a lot of figures with great industry — I know what it is to pore over documents for hours and he must have worked hard. He has prepared a table showing to his own satisfaction where the Government of Canada would take from us \$20 million. One of the figures he has to make up that \$20 million is completely wrong. Another basis for his computation is, he figures the average Canadian duty as being 15% as applied to Newfoundland. Let us agree, for the sake of argument that that is correct. I think I know his reasoning, and there is a certain amount of common sense there. In Canada, the average is 10%. That is because of the large quantities of raw materials transported to go into their industries, which brings it down to an overall rate of 10%. Whereas, in Newfoundland, we have mostly consumable goods coming in.

**Mr. Fogwill** Do you agree with the 15%?

**Mr. Smallwood** It may be 17% or it may be 12%. I think that is a nice job for some Customs man to work out; I doubt my ability to do it and I doubt Mr. Fogwill's ability to do it. He has made a stab at it. I agree it would be more than the average in Canada, which is 10% and in Newfoundland 25%. Under confederation it would be something over 10%. Mr. Fogwill insists it would be 15%. I daresay if Mr. Howell were assisted by some of his officials and were to spend several weeks, dropping everything else, they may be able to work out the figure for us.

**Mr. Fogwill** He could do it in six or seven hours.

**Mr. Smallwood** He says 15% the Government of Canada will collect on all goods we get in from countries other than Canada. He is on reasonably safe grounds there. What grounds has he for saying only one-third less would come into Newfoundland from countries other than Canada under confederation?

**Mr. Fogwill** That is in the Black Book.

**Mr. Smallwood** No. We had quite a debate on that, Mr. Crosbie and myself. That is what they have not done. I pointed out in the debate, the total amount the government collects is 4.28%. I said two millions is actually 10% of twenty mil-

lions. That was my estimate, not the Government of Canada's. Mr. Fogwill applied Canadian tax to our imports — to what they were before confederation. He applied the Canadian rates to two-thirds. I quarrel with that.

**Mr. Fogwill** I applied the Canadian taxes to 3-400 items and I arrived at 15%. If you want to refute it, get down and try and work it out.

**Mr. Smallwood** It would be more than 10% but far less than 25%. What has he done? The average duty he says is 15%. What is he collecting 15% from? Two possibilities — (1) To collect 15% from all the imports shown in the Blue Book—except from Canada. (2) In theory, he could estimate how much goods, under confederation, would come in from Canada; then apply 15% to the goods coming in from countries other than Canada. He has made an estimate. He says we are collecting "X" amount of goods from the world; so much from Canada, and the rest from the rest of the world — two-thirds.

**Mr. Fogwill** We are talking about the average tax. Take rum — we imported last year 123,740 gallons. Under confederation we would have to pay \$12 per gallon — right there you have 400%. What are you talking about?

**Mr. Smallwood** I object to the little elements of sauce that Mr. Fogwill gets off. Let us take the 15% figure. What is he going to apply the 15% to? He says 75% of what we are now importing is from non-Canadian countries. Why not say 50%? How does he know it will be only one-third of what we import from the United States, British West Indies, the United Kingdom and the Mediterranean? Of the total of all the countries we are now importing from, not Canadian, how does he know in the future what we will be importing from Canada? Let us get down to brass tacks. I am interested in this confederation. If we become a province, no doubt there will be a change in our trade. Goods coming in from Canada will be duty free; and if you can get the goods from Canada, will not more be bought there rather than from other countries when you would have to pay duty? You will buy as much as you can from Canada, if Canada has it to sell. You cannot buy what she has not got. In some cases you may buy from other countries and pay the duty and still save money, compared to what you would have to pay in Canada. There will be cases like that. What these cases are, I do not