

is nothing painful on my part about apologising to the Chair for my breach of that rule yesterday. Furthermore, I will go a little step over that and say I will gladly offer my apologies to the Chair for any rules I may break, if I am reminded of it.

Mr. Chairman Thank you, Mr. Smallwood. May I assume that that is satisfactory to Mr.

Higgins and to all members?

Mr. Higgins There is no doubt in my mind; Mr. Smallwood has nothing, secret or open or any other way, on me.

Mr. Chairman Mr. Smallwood has nothing on Mr. Higgins and in view of his explanation and apology to the Chair, I rule the matter now closed.

Report of the Ottawa Delegation Proposed Arrangements for the Entry of Newfoundland into Confederation Committee of the Whole

Mr. Smallwood I have no intention of proceeding with any remarks. I concluded my remarks at the time we rose the committee yesterday afternoon. One thing I would like to say now: during the debate a number of questions came before the committee and were directed to the Government of Canada. A number of replies arrived yesterday and these replies were read. It seems to be desirable that these be dealt with in somewhat greater detail in committee of the whole than was possible in formal session. Two of these were of the utmost importance and need to be explained. You will remember in the Grey Book, the Government of Canada gave its estimate of what revenue it would collect, and what money it would spend in Newfoundland. Two questions were directed to the Government of Canada on that estimate: Major Cashin, feeling the Canadian government had been conservative on the wrong side, they would collect more, and on the other hand Mr. Hollett, being dissatisfied with one item showing what they would spend. We listed the various headings under which they would expect to spend money here. One of these headings was departmental expenditures, \$9.4 million. No detail was given. Mr. Hollett asked for a breakdown. They gave it. He read it yesterday afternoon. I fear few of us had the opportunity of getting the details. I asked them to show us how they arrive at the estimate of \$20 million a year they would expect to collect from the people of Newfoundland. In their reply to me, which I read out without comment, they gave details. While the debate is on, it is highly desirable that both answers be repeated, and something done by us here to analyse and explain the meaning of the two answers. I do not propose to do it at this moment.

Mr. Chairman The answers are being mimeographed and will be distributed, and after

perusal and study members will be in a position to debate the information contained therein.

Mr. Fogwill Since Christmas recess, I have concerned myself quite a lot with federal taxation, in the event of Newfoundland embracing union with Canada. We have had quite a debate on probable revenues and expenditures. I am not concerned with that, although I realise in that event we shall have to collect from the people probably \$6-7 million. What I am concerned with is the different taxes imposed by the federal government. It was laid down in the Black Books, on which I received communications and answers to questions making inquiry as to the list of all the items coming under federal sales tax; also regulations in respect of transportation tax. I got the information and I have been informed what items are covered by the excise tax of 1947. During the Christmas recess, I applied the general sales tax to all imports coming into Newfoundland in the fiscal year 1946-47. I may be in error, if so I will gladly admit it; if I am right, I ask members to admit it. I am not intending to quote all these taxes. Hams, salt beef, etc., sales tax would be \$369,000. You have canned beef and other products, sales tax \$65,458. Tea, sales tax \$81,366. On confectionery, \$52,000. All these are federal taxes; they go up the river. Boots, clothing, rubber boots, etc., \$78,000. Tobacco, cigarettes, plug or pipe tobacco, \$102,000. And so on the sad story goes. The total I arrived at, based on our imports of last year, was \$3,818,000. That does not take in local manufacturing, which I shall come to by and by.

I have here the excise tax act of Canada and I want members to turn to page 136 of the Black Book, Volume 1. Beer — I have not computed that. Malt -we imported last year 2,233,000 pounds of malt, excise tax, 16 cents per pound, \$357,341. Whiskey, 45,461 gallons. In the past,