

government's own current estimates for this year are only in part a fair basis of comparison ... because in my estimates the revenue is divided into two kinds — on the one hand revenue got by taxing the people of the province, and on the other revenue from non-taxation sources. From the standpoint of the taxation sources it is fair to compare my estimates with the estimates of the government. From the standpoint of non-tax revenue, the government's estimates do not furnish us any clue or any guidance whatsoever.

I would point out that the estimates that I brought in estimate that in the first eight years of union the government of the province would spend \$123 million; and I would point out further that \$83 million of that ... I estimate would come to the government not from taxation sources at all, which leaves \$39,960,000, call it \$40 million to come to the government from taxation on the people of Newfoundland; and ... in respect of that item it is fair to compare it with the government's present current estimates in the Blue Book; but with respect to the \$83 million from non-taxation sources there is no basis of comparison, because those are based upon the terms in the Grey Book. Now while I am on my feet, I want to reply to Mr. Hollett.

Mr. Higgins Before you reply to Mr. Hollett, I wonder if you would mind answering those two specific questions I asked? Whatever we learned in Ottawa or did not learn in Ottawa, I would like to know how licenses for motor vehicles and drivers has been increased from \$250,000 (some of us do not like that estimate) to \$325,000? Can you tell me that?

Mr. Smallwood I do not mind answering that specific question. When we were drafting our estimates of possible revenue for the Province of Newfoundland before we went to Ottawa, there was, as Mr. Higgins has said, some difference of opinion as to how much we should estimate to be revenue from vehicular licenses on motor cars, trucks, buses, and from drivers' licenses. My contention, and the dispute, if there was a dispute, between some members of the delegation and myself, was that we should raise that amount. Now who was right and who was wrong? I was right.

Mr. Higgins Why?

Mr. Smallwood I will show you why I was right and the others wrong.... The government itself in

the Blue Book estimates for the current year \$220,000. The year before they raised \$180,000, so this year they estimate \$220,000, and to date they have taken in over \$260,000. Now who was right and who was wrong?

Mr. Ballam You were right.

Mr. Smallwood Of course I was right.

Mr. Higgins It is a long way from \$225,000.

Mr. Smallwood All right, this current year they have taken in already over \$260,000. They only estimated for \$220,000, and my estimate of \$300,000-odd is not for this year, or next year, but an average for each year for the first four years of union; and during those years ... there will be more roads in Newfoundland ... there will be more miles of road in 1948 than in this current year, and each year there will be more mileage, there will be more motor cars, especially, sir, if we get confederation, because they will come in duty-free from Canada. There will be more motor cars, and more drivers, and it is a perfectly fair and conservative estimate to do what I have done, to estimate for the first four years of union \$320,000 a year where the government this very year has taken in already over \$260,000. I have already given that explanation. Mr. Higgins sat behind me here while I did it on Monday afternoon. It is true I was back on to him, and I can't guarantee that he was here every moment, but I explained all these points on Monday afternoon. Why go all over it again?

Mr. Higgins I don't think you explained that particular point.

Mr. Smallwood I explained that point in considerable detail, exactly as I did it for the past four or five minutes.

Mr. Chairman As a matter of fact I recall distinctly Mr. Smallwood stating: "Already this year the government has received \$265,000". Then he went on to say, "I should not say 'already this year', because for all practical purposes we must assume that there will not be much additional revenue raised in this respect between now and the end of March next year".

Mr. Higgins Where are the roads going to come from, Mr. Smallwood?

Mr. Smallwood Now I pass on, Mr. Chairman, and reply to Mr. Hollett.

Mr. Higgins If you don't mind, with all due respect, I don't like to be brushed off as easily as that.