

total municipal taxes were \$19 million, and of this \$17 million came from taxes on real and personal property. In Saskatchewan the total municipal taxes were \$24 million, and of this \$22 million came from taxes on real and personal property. They had to get it off of that, there is nothing else to tax. No customs, no income tax — the federal government has it all. In British Columbia the total municipal taxes were \$21,677,000, and of this \$21,306,000 came from taxes on real and personal property.

Now if anyone has any doubt in his mind on the system of taxation in Canada, which would and must be the system which would prevail in Newfoundland if we go into confederation, then I ask him to consider well these figures. These figures are correct, and only serve to show how largely the system of taxation in the provinces depends upon the taxation of land and buildings, farm machinery and fishing equipment, and other real and personal property. In the new province of Newfoundland there is being collected today, by means of such taxation, less than \$600,000. In my estimate made a few days ago, I came to the conclusion that under the proposals forwarded to us by the Prime Minister of Canada we should find ourselves storing up deficits to the extent of over \$5 million a year unless we resort to further taxation on real and personal property. I submit therefore, sir, that we shall find that within a period of two or three years under confederation anybody who is still living in this country will be able to find that the total municipal taxes were \$5-6 million, and of this amount some \$4 million or over will have been collected on real and personal property.

To show you how serious and how far-reaching this method of taxation in Canada is, I direct your attention to the *Ontario Gazette* of September 6, 1947, pages 1441 to 1462. You will find there listed some 542 lots of property which are listed under the heading "Treasury's Sale of Land for Arrears of Taxes." You remember, sir, last week I endeavoured to point out how the municipalities, and the provinces too for that matter, have the right to sell your property if you cannot pay your taxes. We have the right here in this country, but it has not been exercised. In the last 40 years here in the town of St. John's there has not been a piece of property sold for payment of taxes. That is an authoritative fact. Yes, they

have the power, they must have the power, but they don't resort to it wholesale as they do in Canada. You will find listed some 542 lots of property under the heading "Treasury's Sale of Land for Arrears of Taxes." Now this is in the Province of Ontario alone. Here is one instance: "Widow, Frances M. Kelly, Lot No. 17, one half-acre of land, arrears of taxes \$10.36 — cost \$2, total \$12.36." Now, sir, this widow, unable to pay \$10.36, had her half acre of land sold by the municipality because she was unable to pay. And there were 542 pieces of a like nature in the said province in that particular quarter of the year. Yes, when our main sources of taxation have been taken over by the Government of Canada, Mr. Smallwood will have to resort very largely to taxation on such real and personal property as we have in this country. Let us point out, sir, that in the whole of Canada the total of their provincial and municipal taxes collected in 1943 was \$649 million, and of this amount \$274 million came from taxes on real and personal property. Now this is much more than one-third of the whole of the taxes collected by the provinces and municipalities. Apply this to the case of Newfoundland. I estimated a week or so ago that we would need some \$17.3 million to run the country as a province, and I believe myself to be at least equally as capable as Mr. Smallwood when it comes to dealing with figures. I have pointed out that more than one-third of the taxes collected by the provinces and municipalities in Canada are derived from taxes on property. Is it not therefore reasonable to anticipate that we as a province would be collecting more than one-third of this \$17.3 million, and that will make more than \$5 million?

Now I quite agree with that. There are many people holding vacant and unoccupied land, and I have no objection whatsoever to their being made to pay taxes, but when the taxes affect the primary producers of this country, then I feel in duty bound to warn those primary producers, such as the fisherman, the farmer, the miner and the logger, of what they can expect.

Now I want to direct your attention to a question I directed to the Department of External Affairs at Ottawa as to the probable expenditure to be incurred by Canada in Newfoundland in the event of confederation. This item, you will remember, is found on page 16 of Annex IV of