

- (i) Personal income tax. \$3,200,000
- (ii) Corporate Income tax (including withholding tax.) 7,500,000
- (iii) Succession duties. 320,000

2. The Newfoundland Delegation would be obliged if you would kindly check these estimates on its behalf to determine whether or not they are correct. If, upon examination, you find that they are incorrect in any respect, it is requested that you submit a statement of the correct estimates together with an explanation as to the basis upon which they have been calculated.

3. The Delegation is also much concerned over the many problems which will undoubtedly confront the people of Newfoundland at the time of entry into Confederation as a result of the change-over from the present method of payment of Income Tax to the "pay as you go plan." The Delegation would like you to consider this matter and submit your recommendations as to how, in your opinion, this change-over may best be effected so as to avoid, if at all possible, (i) double taxation and (ii) any loss of revenue to the Province of Newfoundland.

4. You will remember that, at your recent interview with the Delegation, you referred briefly to the matter of Life and Fire Insurance Companies' taxes. It would be appreciated if you would be so kind as to submit a memorandum on this matter for the information of the Delegation together with such other matters relative to Income Tax, etc., as you may consider of interest in connection with the forthcoming negotiations in Ottawa.

Yours very truly,

J. G. CHANNING

707.

NPA/GN 10

*Extraits du procès-verbal d'une réunion de la délégation de Terre-Neuve aux négociations des Conditions de l'union*

*Extracts from Minutes of a Meeting of the Delegation of Newfoundland to the Negotiations of the Terms of Union*

MINUTES OF TWENTY-SECOND MEETING HELD ON  
THE 9TH OF SEPT., 1948, AT 10.00 A.M.

All members were present.

EXPERT ADVICE

206. It was moved by Mr. McEvoy, seconded by Mr. Bradley and carried unanimously that the delegation should obtain expert advice in order to assist it in determining whether the Terms of Confederation offered to Newfoundland by the Government of Canada are in line with those which were offered to existing Provinces prior to their entry into the Union and that for this purpose the services of Mr. J. C. Thompson, F.C.A., 360 St. James Street W. Montreal, should be retained without delay or, in the event that he is not available, such other persons as, in the opinion of the Commission of Government, may be suitable in this respect.