

equally the burden of \$1,045,000,000 of *indirect* taxes this year.

....I have no way to tell the people of this country what this will cost them, no way to find out what the sales tax will cost this country, as I don't think there is any way to find out the volume of business; but I believe the federal sales tax is 8%. Let us see how this tax works out with regard to Mr. Smallwood's assertion that the rich would pay for this family allowance.

This most vicious tax hits every man, woman, child and babe in arms after they collect from those citizens, old and young. First we have a sales tax income of \$325 million which will pay for the family bonus of \$260 million and the old age pension of \$82 million within \$17 million of both expenses. Now in heaven's name, how can Mr. Smallwood say that this is soaking the rich; it even soaks the family allowance itself, for if a woman with one child buys \$5 worth of essentials per month, she chips back into the family allowance ante 40 cents. Is that soaking the rich? I think this should clear up this matter of who soaks who. The unassailable fact is that the cents are taken from everybody. The man who has his family dragged up, and wants to go a little easier, every time his wife goes to the shop to spend a buck, she chips in eight cents towards the raising of somebody else's kids; even if he is 60 and finds it hard to do a day's work. It's simple for us to have a baby bonus that way. So, to me at least, Mr. Smallwood's plan is not so good. He has made a wonderful table of all the places by districts. Let us take the shops in those districts and find out the volume of business they do. Put on the sales tax and see what they will send out to Ottawa. Remember it will be taken from the earnings of the berries, the rabbits, the spuds you sell, also the few dozen eggs. Everything goes in the ante, as I see it. Just figure to yourself. Just count the number of dollars you spend in a year and take eight cents out of each of them, and you'll find out what the baby bonus and the old age pension will cost you. Remember this bonus doesn't come from the federal government of Canada. It comes from the people.... Sorry this is so long, but I want the people to know....

They have also in Canada what is known as excise taxes which bear heavily on the common

man. It amounts to \$290 million. Time forbids me to handle it here, only to point out that added to the sales tax of \$325 million it brings in \$615 million, enough to pay for the family allowance and the old age pension and leave a balance of \$273 million. This excise tax is a superduper sales tax of which I will have more to say later. The reason for referring to it now is to show that it is not the rich who are paying for those services, but the very poor as well. It is a case of passing it from one pocket to another.

I think in all honesty, the next time we send a delegation to Canada, in light of this, we should get a financial expert, for had I been there I would have pushed it down their throats that this was anything but a bargain. They may be able to fool all their people, and we may be too green to burn, but they can't fool a green Newfoundlander. Some people take umbrage at the word "baby bonus" but to my mind I can call it nothing else — an inducement for people to have children, but it's not financially sound and tends not to the betterment of a people. If the money could be raised by another way but by a sales tax, then I could see the good of it, but this way it's a detriment to a man who is trying to get ahead, while it subsidises those who look on life as a period of procreative activity. I don't give much credit for the financial brains of this Dominion if they can't devise a better way to produce the funds to pay for those great services. Let us have them. I know it can be done, and of that I will speak later. I think this is a good argument against our turning our country over again to remote control. It seems we have been pikers in the past in the art of tax collection. See how easy it is. Anybody who has a shop is a tax collector. I can now see a reason for all the stores in Newfoundland. They can now take the place of the civil service.<sup>1</sup>

I will now read the list of goods exempted from sales tax in Canada, as you will find in the Black Book....<sup>2</sup> These are your exemptions from the sales tax. If for instance, take my friend Mr. Northcott across the way, if he was to hang his hand — as I have seen in the small stores in the United States — over the cash register, and you drop in your 8% on every dollar you spend, I wouldn't be surprised at the end of the year that

<sup>1</sup>The following section was taken from the recording of the proceedings.

<sup>2</sup>Mr. Bailey then read the list of exemptions.