

with three children, pays \$210 income tax; in this country, a man with a wife and three children pays \$9. A man earning \$3,500 pays \$310 income tax in Canada. The point I want to make is this; if you take the amount of income tax which will be collected under confederation, the amount of income tax which will go to the federal government, it will be much more than \$3.2 million. That is why I think the suggestion made by Major Cashin in having Mr. Allen and to get him to help us is right. Mr. Allen in collaboration with the census people, who have the number of people earning, and who know practically in what income groups they are, could help us.

**Mr. Job** I was going to say, Major Cashin has pointed out some definite, concrete things; particularly that liquor tax which is down here as \$400,000; Major Cashin has shown very clearly that that should be \$1.6 million. That, in itself, is an item that shakes your faith, absolutely shakes your faith, in this thing. Another thing is, if the federal government have made mistakes in this, their offer is all wrong, as it is upon this federal revenue that they based their offer. It is very important then to get this into the hands of experts and have it looked into carefully.

**Mr. Ashbourne** I would like to know if Major Cashin would give me what the amount of liquor imported from Canada was last year. He gave us the duty collected on liquor and tobacco.

**Mr. Cashin** These figures were excepting Canada. Liquor of all kinds imported, \$12 million; yielded \$1,674,800.00. This thing here says \$400,000. In the case of imported cigarettes from the United States, 529,412 pounds; approximately \$2 million in duty. Here you have \$500,000. It is quite evident that my friends in St. John's West are not going to get their liquor cheap if we go into confederation.

**Mr. Chairman** In view of the opinions expressed here this evening, I think I should meet the Steering Committee for the purpose of discussing future procedure. I would therefore like the members of the Steering Committee to meet me tomorrow. I would prefer it to be 2 pm rather than the morning. Will members of the Steering Committee please note that there will be a meeting in my room at 2 pm.

*[The committee rose and reported progress]*

**Mr. Hollett** Might I ask if the publications which we were to get from Ottawa have arrived?

**Mr. Chairman** No.

**Mr. Higgins** I move that items 3 and 4 be deferred.

*[Carried]*

**Mr. Higgins** On the motion to adjourn, I do not think the Steering Committee can do much between 2 pm and 3 pm; it is a question of going into the whole business, the full picture has to be considered.

**Mr. Chairman** What do you suggest?

**Mr. Smallwood** Not another holiday tomorrow afternoon? Is there anything mysterious about it? Is it not merely to ask the Assessors Department and the Customs Department to work out an estimate for us? From 2 pm to 3 pm, a whole hour to decide that? Let us decide it right now.

**Mr. Ballam** Bring in a motion to ask the Customs Department and Assessor's Department to prepare such an estimate.

**Mr. Chairman** Mr. Higgins thinks that not much can be accomplished if the meeting is held at 2 pm and we have to go into session at 3 pm.

**Mr. Job** We could adjourn if we are not finished.

**Mr. Higgins** What will we go on with then?

**Mr. Chairman** That is why I want the Steering Committee meeting held. I must take note of the fact that there are difficulties confronting members here. I have a Steering Committee and it is my duty to call it together in an effort to resolve any difficulties which may confront members. My object in calling a Steering Committee meeting is to try and resolve difficulties which presently exist and which are likely to exist unless something is done about it; to have them perhaps decide what *modus operandi* can be employed in order to eliminate the difficulties which now confront the Chair.

**Mr. Smallwood** I am opposed to the Steering Committee making any decisions. Let the Convention decide. Let it be done in public.

**Mr. Chairman** Suppose I decide to appoint a special committee, which I have the right to do, in order to facilitate members to eliminate difficulties which must otherwise come before the Chair; there are difficulties and they must continue if they are not anticipated. My object is merely to secure advice.

**Mr. Smallwood** Not to make decisions.

**Mr. Chairman** If the occasion so arrives, a decision will be made by the Convention. Sup-