

depending on him, what income tax does he pay? I mean now in Canada, and here if we become a province. If he makes \$800 a year, \$66 a month all the year round, he pays 42 cents a month income tax, and it is deducted from his pay ... but if his income is \$900 a year, or \$75 a month all the year round, he pays \$1.33 a month income tax. If that single person makes \$1,200 a year, \$100 a month, he pays \$5 a month income tax. Is that so terrible for a single person without a chick or a child to support? \$5 a month out of his \$100?

Now take a married couple with no children or any other dependents, just themselves. A married man making \$1,800 a year, if we go into confederation, \$150 a month all the year round, will pay \$15 a month income tax out of his \$150. If he makes \$3,000 a year, or \$250 a month all the year round, he pays \$35 a month income tax out of \$250. That is, remember, a married couple with no dependents, only the two of them. Now take a married couple with three children under 16. On any income that that man makes, anything up to \$1,500 a year — \$100, or \$500 or \$1,000 or \$1,500, anything up to \$1,500 a year — that is \$125 a month every month in the year, he pays no income tax; not only does he pay no income tax, but he is paid money, \$216 a year by the Government of Canada in family allowances. Now if his income is \$2,000 a year, this same man with three children, at \$166 every month of the year, he still pays no income tax, but instead the Government of Canada pays him \$194 a year in family allowances. Now if his income is \$2,500 a year, \$208 a month every month, he still pays no income tax, but instead he receives \$106 a year from the Government of Canada in family allowances, and of course the more children he has under 16 the more family allowance money that family receives. The simple truth is that at least 80 persons out of every 100 in Newfoundland under confederation will pay not a cent of income tax. God help us, their income does not bring them into the income tax group!

Again, Major Cashin tried to curdle our blood by telling us of the almost incredible and unbelievable number of taxes imposed on all kinds of products. For example, and this is one of the easiest ones, he says there are 52 taxes on a loaf of bread in Canada. There was one he mentioned that had 250 taxes on the one article. How do they live up there? Are they still alive, or are they all

dead? Now about those 52 taxes on a loaf of bread. Supposing he is right, what does it matter to people if there are 52 taxes on a loaf of bread, and the loaf still sells for 13 cents? 13 cents a loaf for a 20 ounce loaf. In St. John's a loaf is what? 18 cents. How many ounces? What is the size of our loaf in St. John's?

Mr. Higgins It is a bigger loaf.

Mr. Smallwood I think it is 24 ounces. My wife buys the bread, which she won't bake. We should go out in the real Newfoundland where they bake their bread. I am not going to deny that there are all these taxes actually imposed on all these things, for the simple truth of the matter is that that is how it is all around the world. It is the same here. These taxes, sir, are paid on all our imports before we import them, and then we pay them back in the price we pay for what we buy, and besides paying all those taxes that Major Cashin mentioned, besides paying those in the price of the article when we buy it, we also pay customs duty on top of them all, and on the customs duty we also pay a profit, in fact a double profit to the wholesalers. You can take almost any article you would like to mention, and if you can trace it back far enough, and trace back all the various articles that go into that one article, you will find dozens and sometimes hundreds of taxes have been collected on it at one point or another, from one country or another, and the consumer pays it all.

Now, sir, I want to address myself for a moment to this question of sales taxes. In my opinion a sales tax is not an ideal tax. It is not direct taxation, which I prefer, but indirect taxation, which I do not like. The sales tax is put on by the Government of Canada. How long it will be left on I don't know. It may be left on for two or three years yet. I don't know. The rate of the sales tax is 8%. How long it will remain at 8%, again I don't know. Before the Government of Canada abolishes the sales tax altogether they may reduce it to 4-5%. That is something I can't prophecy. Well, there it is — a sales tax of 8%. It is collected mainly from the manufacturer of the article. It is included in the retail selling price of the article. The consumer knows nothing about it, he simply buys the article in the shop and the price of that article includes the sales tax, if the article includes that. It is like our customs duties, and that's another reason why I don't like the sales tax. But the sales tax is not put on everything, and