

And it reads thus: "The best interests and present and future prosperity of British North America will be promoted by a Federal Union under the Crown of Great Britain, provided such Union can be effected on principles just to the several Provinces. In the Confederation of the British North American Provinces, the system of government best adapted under existing circumstances to protect the diversified interests of the several Provinces, and secure efficiency, harmony, and permanency in the working of the Union, is a General Government charged with matters of common interest to the whole country, and Local Governments for each of the Canadas, and for the Provinces of Nova Scotia and New Brunswick, charged with the control of local matters in their respective sections, provision being made for the admission into the Confederation, on equitable terms, of Newfoundland, Prince Edward Island, the North West Territory, and British Columbia. The Executive Authority or Government shall be vested in the Sovereign of the United Kingdom of Great Britain and Ireland, and be administered according to the well-understood principles of the British Constitution, by the Sovereign (meaning the King), or by the representative of the Sovereign, duly authorised." So I think that there's not much to this talk about us being sold up the St. Lawrence. Let us for a moment give a little thought to the value of the Black Books. One member has stated they're not worth 25 cents — remembering of course, that the same gentleman said this Convention is a fraud, and said so before it came into being. Still, you let him become a part of it, and he is still with it. With the knowledge the thing is wrong, he still remains in it. Is it too much to assume that the same member knows responsible government is wrong, as far as the working man is concerned? Whether he is activated by personal motives or the well-being of the people may be debateable...

**Mr. Cashin** I rise to a point of order at this point.... I gather that Mr. Starkes intimated that I was actuated by personal motives.

**Mr. Chairman** He doesn't know — one or the other.

**Mr. Cashin** Well, he had better find out. It's just as well for him to understand right now about the personal motives. I have only one personal motive, I'm a Newfoundlander. And as far as New-

foundland is concerned, I have probably done just as much in the interest of Newfoundland as Mr. Starkes has done. And if he reaches to cross swords with me in that respect, I don't know who's going to come off second best.

**Mr. Chairman** He stated he didn't know whether you were motivated by personal motives or the interest of the country.

**Mr. Cashin** Politically, if I look at that angle, if I was a confederate I would have just as much opportunity of going into politics as I would have with responsible government.

**Mr. Smallwood** Better.

**Mr. Cashin** Oh, no.

**Mr. Smallwood** Oh yes, better.

**Mr. Chairman** This is entirely irrelevant. Will you please proceed?

**Mr. Starkes** Personal income tax. It is true that income tax is owed in Canada. But what does it amount to? For example, take a married man with no children in Newfoundland. He would pay no income tax up to \$2,000, but he pays at least 15% on the \$2,000 that he spends in this country, which means that he pays in duty \$300 to the importer of the goods he buys, and he also pays that importer at least 20% on the profit on the duty, making a total of at least \$360 that family man paid at the present time. In union with Canada he would pay no duty if he imported goods from Canada, but he would pay sales tax on say \$1,000 of the \$2,000, because over 50% of what he was buying would be exempted from sales tax. Therefore, on the \$1,000 that he spent he pays 8%, which is \$80. That is sales tax. So union with Canada takes from that man \$80; while responsible or Commission government takes from that same man approximately \$360. That is to say he is paying \$280 more each year than he would have to pay under confederation. Now take a married man earning the same amount, with three children in the family. He would pay no taxes in Newfoundland under \$2,000 except the duties. He now pays, as already stated, around 15% and the profit, which totals \$360. Under union with Canada, he would pay the \$80 sales tax only, and he would receive from Canada at least \$250 family allowance — that man would save \$360 plus \$250 family allowances, which gives him a total of \$610. And he pays out \$80 sales tax only. He therefore has approximately \$530 more to spend under con-