

question either in your mind or your pockets.

The cost of living here in Newfoundland has been referred to not only by Mr. Smallwood but by other speakers, and one would think to listen to them that with the stroke of a pen the cost of living will come down considerably. This is another false idea which people may get into their minds. If you will refer to the report made by the Federation of Labour on the cost of living today and the amount required by a man with a family to live, you will see (and here Mr. Fogwill can support me, as he was one of the members of the committee that drew up the report) that the duties paid on foodstuffs consumed amounted to not more than approximately 5% of the earnings spent in this direction, and if you further take into consideration the local products which such a family would buy here in a year, like potatoes, turnips, fish, etc., the total duty on that family's outlay would amount to not more than about 4.5%. Union with Canada will not bring us geographically any closer to the mainland and we will still have to freight our imports to this country and distribute them as before, and union with Canada or any other country cannot get away from this factor in the cost of goods to the consumer. Mr. Smallwood has referred to special freight rates operating east of Quebec which should reduce the rates, so that it would in turn bring down the cost on the goods. I might say, firstly, that freight rates are not a large percentage of the cost of the goods, but in any event this reduction of rates would apply only to those shipments through the Canadian National Railway...

Mr. Smallwood And the CPR.

Mr. Hickman And the larger percentage of our goods coming into this country do so by steamers, operated by lines and companies other than those of the Canadian National Railway and the CPR or the Newfoundland Railway. From the time of opening of navigation in Montreal in May, to the close around the end of November, the larger portion of our goods are moved direct by steamer from that port to the west coast through Corner Brook and to the east coast through St. John's; and these boats, as well as those from Halifax and New York, are operated by the Furness Red Cross Line, Shaw Steamship Co. Ltd., Newfoundland Canada Steamships Ltd., Clarke Steamships Ltd., and other corporations in the

shipping business. Therefore there will be no resulting benefit to any great extent in the movement of goods by freight from Canada to here by the CNR or CPR.

On this cost of living being cheaper, I wonder do people realise that at present there is no duty on flour, salt beef and pork, cooked corned beef in tins, butterine and tinned milk, which are all staple products in the people's diet? In addition to this, we have items coming in duty free such as fresh fruit, prunes, currants, raisins, feeds, long rubber boots, fruit juices and vegetable juices. All I have mentioned are duty free, and will not be affected by union with Canada. There are additional items which have a very low duty basis such as peas, beans, rice and barley at 1 cent per lb., oatmeal and rolled oats at 1/2 cent per lb., cornmeal at 1/8 cent per lb. The elimination of duty on these and a lot of other items will have no obvious effect on the cost of living, because the duty is so low that the removal of it will not easily be seen. But, however, union with Canada, while it may remove some of these very low duties, will place an 8% sales tax and excise duty on some of these items, and indeed on some of the more staple ones; the sales tax in many cases will more than offset the reduction of duty.

Mr. Chairman, Mr. Smallwood did not point out to the people that fishermen could buy their salt for approximately \$2 per hogshead cheaper in Newfoundland; that oiled clothing per suit is not any higher in Newfoundland than it is in Canada, although we pay 20% duty on it; that herring nets in this country are slightly cheaper than in Canada; that rubber boots are cheaper here today than they are in Canada. To get this comparison of figures, I have used the ones submitted in the Black Book against local prices here, and I have written to Halifax and compared the prices existing in Canada only a month ago, because those in the Black Book were probably compiled six months ago. There may be some reductions in some items, but one must remember that this will be offset to a great extent by federal sales taxes, import duties and excise duties. In referring to the price for salt to the Newfoundland fishermen, which is \$2 cheaper here, I might say that I cut down the Canadian hogshead to the Newfoundland hogshead.... If Canada, as claimed by some, can do so much better for us (and with which I cannot agree), then why should