

the difficulties, but at the same time I would ask members to remember that we're discussing the financial terms, and I would like members to confine themselves, insofar as practically possible, to confine themselves to the financial aspects rather than the purely political aspects to which we'll come in due course after and when we terminate the present debate.

**Mr. Vardy** That is exactly the view I've taken Mr. Chairman, and so far as we've gone I believe that most of the members have agreed fairly well in that respect. But I was a bit puzzled at the beginning, wondering if we wouldn't in a very short time reach a deadlock. But I feel that I would appeal to Mr. Smallwood — rather than get sore at him — to try to cut short the various explanations. I have no wish in the world to cut short this debate. I voted, as you all know, to send a delegation to Canada on each occasion the resolution came up. I have no regrets along these lines except that there were certain disappointments in the length of time it took. But we're into this thing now and I believe we should let the public know the facts to the best of our ability, so that eventually they will be able to arrive at the proper conclusions and digest the various bits of information as we hand it out to them. I feel that ... everyone of us should go all out to make a very special effort to wind up the work of this Convention before the end of the year. I really think we have wasted some time. So I think we should be very conscious over this fact and when we rise to our feet, try to be as constructive as possible and let the people know the truth as we see it. In that way only will we be able to do justice to the districts we represent and the country as a whole. Now I believe we're moving on to old age pensions.

**Mr. Chairman** To be fair to you, Mr. Vardy, I must identify myself unqualifiedly with everything that you said.

**Mr. Vardy** Thank you, Mr. Chairman.

**Mr. Fogwill** I'm satisfied, sir, to take up the question of taxation when we come to it, that's if we do. But while Captain Bailey did raise the question of general sales tax, I was curious to know whether the sales tax was applied to or imposed on fishery salt. I'd like to have an answer to that. Where do we find the exemption in these books?

**Mr. Smallwood** If it's not in the book, I'll

produce documentary evidence officially to that effect.

**Mr. Fogwill** I cannot find it in the book.

**Mr. Smallwood** I understand that. Now, Mr. Chairman...

**Mr. Chairman** Is there any other...

**Mr. Smallwood** Mr. Vardy seemed a little doubtful about the actual amount of money that would be paid out in Newfoundland, to children under 16, in family allowances each year. We had in 1945, 117,000 children under sixteen. That is official from the census of 1945. Because our population is increasing at the rate of 1.1% per year, that would make today a little over 117,000 children under the age of 16. The average taken based on actual experience is \$6 a child each month. The amount varies according to the child's age. It's \$5 a month up to the age of six; \$6 over the age of six and under ten; \$7 over ten and under 13; \$8 over 13 and under 16. When I say under 16, I mean, up to the last day before the sixteenth birthday is counted as 15 years of age. Now, there are little reductions. When you pass the fourth child in a family, that child gets a dollar less per month and the fifth child I think the same. The sixth child is cut by \$2. But the average is taken universally in all government records, based on their experience, at being \$6 a month. Well, 117,000 children in Newfoundland in 1945 at \$6 is \$702,000 a month or \$8,424,000 a year. And the actual amount will increase accordingly, as our population is increasing at the rate of 1.1%. So it's a fair anticipation that in three or four years, instead of 117,000 children under 16, it'll be well over 120,000; in another three, four or five years it'll be up around 125,000; and as that number grows, so will the amount of money paid out. That's just in reply to Mr. Vardy. I am not going, at this time, to reply to his point about where the money comes from to pay the family allowances. We all know it comes from the Government of Canada.

**Mr. Chairman** In fairness to Mr. Vardy and other members, it is your intention, is it, to welcome at least these other questions?

**Mr. Smallwood** Of course, sir, of course. We can't discuss this business without knowing exactly what the taxation system is in Canada, because if we were to become a province, that system of taxation would be our system of taxation. Now I pass on to section 2 of clause 4.