

been carried out by the Governor in Commission to take effect on the 1st January, 1935. They had hoped that advantage would have been taken of this reconstruction of the Newfoundland tariff to incorporate in it the principle consistently applied by His Majesty's Government in the United Kingdom, and followed very closely by the Canadian Government, of according to all other parts of the Empire any tariff preference that might be extended by agreement or otherwise to any one part of the Empire. In spite of the fact that Canadian and Newfoundland exports are not essentially complementary, the Canadian Government have for many years, and without requirement of reciprocity, granted to Newfoundland not only the benefits of the British preferential tariff but have, in a special section of the customs tariff, accorded fish and other products of the fisheries of Newfoundland free entry into the Canadian market. Under these circumstances His Majesty's Government in Canada would be glad to learn that the Government of Newfoundland were prepared to grant to Canadian goods the benefit of the preferential tariff.

Among the alterations in the Newfoundland customs tariff which may be expected to affect adversely the interests of Canadian exporters is the reduction of duty under Item 463 of men's and youth's long rubber boots from 44% ad valorem to free. Hitherto, although rubber boots imported from Canada and Japan have been subject to the same rate of duty, the practice of valuing Japanese goods for customs purposes at par of exchange ensured an appreciable advantage to Canadian exporters. It is feared by Canadian manufacturers that the abolition of customs duty on this tariff Item will lead to the transfer to Japan of a large share of the business in this kind of rubber footwear, which has been one of the chief classes of rubber footwear exported from Canada to Newfoundland. It is recognized that this tariff change has been made in order to reduce the cost to consumers of an article of necessity, but it is the hope of the Canadian Government that steps may be taken which may at the same time assure the retention within the Empire of the trade in these goods.

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*Le gouverneur, Commission pour Terre-Neuve, au secrétaire d'État
aux Affaires extérieures*

*Newfoundland Governor in Commission to Secretary of State
for External Affairs*

TELEGRAM

St. John's, January 12, 1935

Your telegram 24th December. Commission of Government has given careful consideration to representations made, and having regard to very large quantity and value of annual importations into Newfoundland from Canada