

warehouses but that in others, there appeared to be no alternative but for the industrial companies to accept the fact that nothing could be done to assist them. Mr. Howell requested Mr. Gruchy to approach Customs on behalf of his Company, to have the coal in their mill stockpile classified as being in bond, the duty to be paid thereon only as and when withdrawals therefrom are made.

39. During the discussions Mr. Howell remarked that Customs revenue during the months of April, May, June and July of the present year had decreased at the rate of approximately \$400,000 *per mensem* as compared with the same period in 1947. He stated that this decrease was due to many factors not the least of which was the hesitancy of local importers to import goods in the usual quantities because of the Confederation issue. The delegation was keenly interested in this statement and felt that it provided a valuable argument to persuade the Government of Canada to increase its proposed transitional grants to Newfoundland to reimburse the Province for this loss of revenue. It was agreed that the matter should be further investigated.

#### SHIPPING

40. Mr. Howell undertook to prepare, upon receipt of a request therefor in writing from the Secretary, a brief dealing with shipping operations in Newfoundland at the present time so as to enable the delegation to compare existing conditions with the conditions which will become applicable after Confederation, and thus seek from the Government of Canada any concessions or safeguards which may be necessary to protect Newfoundland's interests.

41. The Secretary was also requested to obtain from Mr. Nelson Halfyard, Department of Public Works, information regarding the type of licence or ticket issued to, the qualifications, etc., required by and the terms of employment of officers, masters, mates, seamen, radio operators, stewards and other persons engaged in the Newfoundland maritime industry.

42. At this time Mr. Howell retired from the meeting.

#### LETTER FROM PRIME MINISTER OF CANADA DATED 29TH OCTOBER, 1947

43. Following the reading of this letter by the Secretary, Mr. McEvoy drew attention to the last six lines of paragraph 1 thereof which, in his opinion, testified to the soundness of his recommendation that an advisory committee be appointed immediately to assist the delegation to obtain complete and comprehensive information on all the issues involved in Confederation.

#### CLAUSE 1 OF GREY BOOK<sup>9</sup>

44. No comment.

#### CLAUSE 2 OF GREY BOOK

45. The Chairman stated that this clause required rewording and this fact was noted for future guidance.

#### CLAUSE 3 OF GREY BOOK

46. No comment.

<sup>9</sup>Voir l'annexe à la pièce jointe, document 442. Les polycopies de ce document avaient une couverture grise.

<sup>9</sup>See sub-enclosure, Document 442. The mimeographed copies of this document had a grey cover.