

MINUTES OF FOURTH MEETING HELD ON
THE 27TH AUGUST 1948 AT 10 A.M.

All members were present. Mr. J. G. Howell, Secretary for Customs was also in attendance.

IMPORTATIONS INTO NEWFOUNDLAND

34. The Chairman informed Mr. Howell that the delegation had recently been considering the question of the carry-over of stocks by merchants throughout Newfoundland after the formal entry of Newfoundland into Confederation with Canada and the hardships and losses which this may involve. The purpose of calling him in for consultation was to ascertain whether there was any way, either by payment of refunds of duty or otherwise, whereby such losses could either be reduced or eliminated entirely.

35. Mr. Howell stated that his Department had also been studying this problem very closely but, to date, had been unable to find any completely satisfactory solution to it. As far as drawbacks of duty were concerned, he was convinced that, for reasons which he described in detail, this was absolutely impracticable. A partial answer to the problem was to place goods in bonded warehouses from which they could be withdrawn as and when required and duties paid thereon. Unfortunately, the number of bonded warehouses throughout Newfoundland was comparatively small and, although the Customs Department was only too willing to designate such warehouses, there were certain regulations to be complied with which had the effect of limiting their number. He admitted, upon questioning, that the authorities might be prepared to relax these regulations to some degree under the circumstances presently existing. He did not consider, however, that a general relaxation would be approved but rather that each case individually would have to be considered upon its merits. Mr. Winter suggested that publicity should be given to these facts so that persons interested may be aware of the position.

36. The suggestion was made that duties on importations from Canada should be removed entirely at some date prior to Confederation or else reduced gradually over a period of months prior thereto. Mr. Howell pointed out, however, that this would be tantamount to giving Canada preferential treatment which, by reason of international agreements to which Newfoundland had subscribed, it was prohibited from doing.

37. Mr. Smallwood was of the opinion that an announcement from the Commission of Government to the effect that the present Customs duties on imports from Canada would continue in effect until at least the 31st of March 1949, would meet the situation. Importers would then govern themselves accordingly and would certainly take steps to ensure that the stocks carried over by them after the date of Confederation were so small as to reduce their losses to a minimum.

38. Various problems confronting industry in Newfoundland in the matter of stocks of coal, hay, feeds, repair parts and supplies for logging operations were described by Mr. Gruchy and discussed at length. It was considered that in some instances at any rate, these problems could be solved by the setting up of bonded