

revenue varied from \$2,400,000 with no diversion to Canada, to \$1,000,000 with the maximum diversion to Canada that could be anticipated. Weighing all possibilities, it was concluded that a figure of \$2,000,000, though probably on the high side for the year 1943-44, was a fair estimate, having in mind the increase in trade since 1943-44.

Since the time the estimates were prepared, trade has been sustained at a higher level than had been anticipated, and probably if the data were to be reworked a figure somewhat higher than \$2,000,000 would emerge (though this might be offset to some extent by reduction in duty pursuant to Geneva Agreement), but such adjustments, either upwards or downwards, are inevitable and would apply to all the estimates of both probable expenditures and probable revenues.

Liquor and Tobacco Taxes — \$400,000 and \$500,000.

These estimates were based on consumption of liquor and tobacco in Newfoundland, as indicated by customs returns. Estimates of present consumption were altered to take into account trends of consumption indicated by figures over the past few years, and a probably decline in consumption as a result of a return to more normal levels of income and higher prices due to higher Canadian excise duties after confederation.

General Sales Tax and Miscellaneous Excise Taxes — \$4,000,000 and \$1,500,000.

The above figures are based on revenue in Canada, reduced in proportion to population and corrected generally to account for a probable lower per capita national income than in the existing provinces and probable lower volume of sales.

Post Office — \$750,000.

This figure was supplied by the Post Office Department of the Dominion government and was compiled on the basis of available information about the volume of mail in Newfoundland.

No estimate of revenue from the telegraph system is included in this figure, nor is any estimate of expenditures on the telegraph system made in the additional cost of extending "ordinary" Canadian services to New-

foundland. Since on the average these two items balance out, it was not felt necessary to include them in either estimate.

Question: For a statement of the changes that will occur in the tariff and excise figures as a result of the Geneva agreements and to apply these changes particularly to the items listed on pp. 126 to 138 of the Report of the Ottawa Delegation.

Answer: (Explanation of Excise Tax changes follows list of changes in Customs Tariff)

Canadian tariff concessions which are to be made pursuant to the General Agreement on Tariffs and Trade concluded at Geneva on October 30, 1947, are set forth in Schedule V of the Agreement. A copy of this Schedule is attached. Also attached for the information of the Convention are copies of the following:

The Customs Tariff and Amendments; Order in Council, P.C.5270, which brings the Geneva agreements into force; *Foreign Trade* for November 22, 1947, in which is reprinted a press release on the Geneva Agreement.

It should also be noted that imports in general will be temporarily affected by the emergency measures announced for the conservation of United States dollars. The principal measures are set forth in the following, copies of which are attached:

Bill 3 entitled, "An Act respecting Emergency Measures for the Conservation of Canadian Foreign Exchange Resources"; Votes and Proceedings of the House of Commons, December 18, 1947, (pp. i and ii).

Also attached is a copy of a speech broadcast by the Minister of Finance on November 17 outlining the measures to be adopted to deal with Canada's United States dollar problem.

Presumably information regarding changes in the Newfoundland tariff under the Geneva Agreement may be obtained from the Commission of Government.

[There follows a detailed list of changes to be made to the Canadian tariff as a result of the GATT agreement, 1947]

It should be noted that the changes which have been outlined in the excise taxes of Canada (see Votes and Proceedings of House of Commons of December 18, referred to