

know. The United States is famous for producing certain kinds of products; the United Kingdom is famous for producing other kinds of products. If we become part of Canada, we will be importing all we can from Canada. On the things we import from the United States and the United Kingdom, we will pay Canadian rates of duty. But what I would like Mr. Fogwill to tell me is how he figures customs duties on what we will import from countries other than Canada; how does he know what we will import from other countries under confederation?

**Mr. Fogwill** I do not know any more than you do. I know what we are importing now.

**Mr. Smallwood** I am trying to be fair.

**Mr. Fogwill** Page 123, Volume 1, of the Black Book, there is a chapter on indirect taxes. On that point we, in this country, import most of our clothing, food and machinery from abroad. Last year we imported from other countries, apart from Canada, \$31 million worth of goods. I have assumed that our imports will be reduced from other countries other than Canada, and I have assumed that the figure of \$20 million will be reasonable. After all, we have got to sell our produce in the world. We have got to sell it to England and Spain and Italy, and to Portugal and the West Indies and the United States. Surely goodness, you can't expect Newfoundland to sell all her goods to other people and import all her needs and wants from the mainland of Canada. We can't expect to sell everything to other people and import everything from Canada. I think our reasonable imports from Canada would be \$20 million.

**Mr. Smallwood** Now we are getting somewhere. Last year we imported \$30 million worth from other countries, and \$40 million from Canada, was it?

**Mr. Cashin** \$40.1 million.

**Mr. Smallwood** No, from the latest book, what is the figure Mr. Fogwill?

**Mr. Fogwill** \$31 million.

**Mr. Smallwood** That's as it is now. Now under confederation. On the \$43 million worth of goods we imported from Canada, we paid customs duty on some of them, and some came in duty free. Well, all goods will come in duty free if we are into confederation.

**Mr. Fogwill** It won't all come in duty free, it will be *customs* duty free.

**Mr. Smallwood** Yes, import duty free. What we usually call customs import duty, *ad valorem* and specific rates when they come into the country. There will be none of that on goods coming in from Canada. On that \$43 million that we brought in last year, or \$86 million if you like, it will be without paying any import duty. Mr. Fogwill says when he was working out this table, "Yes, that's true, therefore as everything would come in duty free, we will bring in more than we have in the past", and he begins to figure how much more. He says, "Last year we brought in \$30 million from the rest of the world, I wonder how much we would bring in under confederation?" He says he will lop off \$11 million. He says we will bring in \$20 million from the rest of the world, and \$11 million of this \$31 million we will bring in from Canada. So that it will be this: \$54 million we would bring in from Canada, and \$20 million from the rest of the world. Now what I want to know is, and he has based his table on that 50% and the \$30 million, what I want to know is this: is that a guess, and if so, is it based on something fairly concrete? Because I will confess that I am absolutely stumped when I come to try and figure exactly what the proportion of these imports under confederation will come in from Canada, and what proportion will come in from the rest of the world. I am not sufficient of a trader, I don't know the trade of this country. I can't, for instance, say, "Microphones, where do they come from — Canada or the United States?" I can't say whether it would pay to bring them in from the United Kingdom, or Canada or the United States. I don't know enough about the trading practices of our country. I doubt if Mr. Fogwill does. He says last year we brought in \$31 million worth from the rest of the world, but under confederation it will be \$20 million. How does he get that? Otherwise we can't accept his figure. How does he arrive at that?

**Mr. Fogwill** I am not asking anybody to accept it. I have done these figures for my own personal information, and I don't have to prove it to you or anyone else; but it is on this that I will make up my mind in this Convention, and not on what anyone else is going to say.

**Mr. Smallwood** Mr. Chairman, he is perfectly entitled to do that, but when he brings in figures and lays them before us in this Convention, he goes beyond the point of doing them for his own