

on getting the clear-cut reply it has brought us from the British government. The reply is clear, crisp and unmistakable. Except as to one point, the reply tells us exactly where we stand so far as Britain's connection with our future government is concerned. Now, where *do* we stand?With regard to the public debt, whatever form of government we may choose, Britain will call in \$63 million of our sterling debt, and issue new bonds at a saving of one-half of one percent. That will save us roughly half a million dollars a year in interest on our debt. That Britain will do whatever form of government we choose.

Interest-free loans — the British government has \$9 million of our money that our government loaned them during the war, free of interest. Britain says now she isn't anxious to pay interest on it, but whatever form of government we choose we can have the \$9 million back whenever we ask. They say they hope we won't ask them for it yet, because their own financial condition is pretty black — but whatever form of government we have, we can have that \$9 million when we demand it. Development loans — whatever form of government we decide to have, Britain will not be able to lend us money for development purposes.

Gander — so long as we are under Commission government, Britain will pay two-thirds of the operating losses on Gander, and Newfoundland one-third, with Newfoundland paying all the loss up to quarter of a million a year. Under any other form of government, the British government will not pay any of the losses on Gander. American bases — Britain will not try to get anything from the US for us in return for the American bases. She tells us that she sees no reason to think that the States would give us anything. It's Britain's opinion that no matter what form of government we may have, we will not get anything from the States. However, should we ever have our own government, Britain would be willing to help us try to get something from the States, even though she herself does not think that the States would listen to it. Fish and ore — no matter what form of government we may have in future, Britain sees very little hope of any long-term contracts to sell Newfoundland fish or iron ore in Great Britain. And that's the story, Mr. Chairman — these are the things the British government will do, or will not

do, under this or that form of government.

But it's not the whole story. For example, the delegation asked the British government whether the national referendum could contain only two forms of government for the people to vote on — Commission government and responsible government, they asked them that question. No, said the British government, that is not so, the Convention can recommend other suitable forms of government. The National Convention Act, they tell us, clearly authorises the Convention to make recommendations as to possible future forms of government *in addition* to Commission government and responsible government. And the British government told the delegation something else. They said that if the Newfoundland people should vote for responsible government, then from that minute that government would be completely responsible for Newfoundland's finances. The British government would no longer take the responsibility they took for Newfoundland when we went under Commission government in 1934. If we vote for responsible government, then we are cut off without even the proverbial shilling; we'll be completely on our own, we'll have to paddle our own canoe.

There's nothing surprising in that statement, nothing new in it. It's exactly what we expected, for in that statement the British government has only repeated one of the oldest, one of the most widely recognised principles of the British constitutional system. Back in 1894 the banks went broke. There are people in this country who remember that now. It was a desperate situation that confronted the Government of Newfoundland, as desperate a situation as ever confronted the Newfoundland government. The cabinet met, I believe it was Sir William Whiteway who was prime minister, they met day after day to see what they could do to deal with that desperate situation, and finally, on February 11, 1895, the cabinet asked the Governor to send a cable to the Secretary of State, and this is the cable he sent:

St. John's, Feb. 11, 1895.

To the Secretary of State:

I am requested to forward the following: My Ministers are of opinion that an Imperial Guarantee of Interest to the amount of £20,000 sterling per annum of Newfoundland's bonds would enable them to pay off