

treatment in view of what we have already given? **Mr. Wild** If there is any chance of advancing those considerations and having them accepted; but we should not pull any punches. They decided at the beginning, we were to bargain tariff against tariff. At Chicago, I know, they would only bargain aviation rights against aviation rights.

Mr. Job We should prefer to ask for special consideration on account of the bases being here. It ought to be some form of direct negotiation with the United States.

Mr. Wild You could hardly have direct negotiation.

Mr. Smallwood Mr. Wild, the information on the possibilities of this forthcoming or final international conference on tariffs would be coming undoubtedly to the United Kingdom at pretty high levels through the British embassy in Washington. Some of that might trickle through here from London.... I wonder if any of it would be, or has been, of such an interest as to give you some personal opinion of the likelihood of the success of the international conference. Some of these conferences often start off well and end up a complete failure. What are the chances of a successful reduction of tariffs coming out of that conference?

Mr. Wild Nothing, Mr. Smallwood. If the information had been given me it would probably have been very confidential. Actually we have had nothing. We do know that the Massachusetts fishery interests are getting on the war-path. We have been informed of preliminary discussions with New Zealand as to how they interpret the American offering. Mr. Frazer, the New Zealand prime minister, has had talks in London. This is only preliminary, and we have had nothing trickle through from the United States except what has come direct.

Mr. Crosbie Would it be wise to use some of our surplus to retire some of the sterling debt?

Mr. Wild If I had to say "yes" or "no", I'd say "no". The exchange is favourable now at the moment, and it may be more favourable, but if we are going to pay off our sterling debt, there is a big whack of it — about £16 million in loans and sinking fund. It is no good trying to work a conversion operation, or paying-off policy of a big debt of that kind, unless you wipe the whole thing out, or a large proportion. The finance

people don't like handling little bits. I raised this point myself during the war. Major Cashin asked about the raising of the local bonds, and I said, had I known how I could have used the money to advantage I would have raised another war bond, but we paid off all we could. I made inquiries as to whether we could pay off some of the 3.5% sterling loan, but it was not an operation in which the people on the other side were interested. The loan is callable any time now up to 1963. The main point is, when you mention paying off part of it, you are thinking of the surplus, you are not thinking of raising more money.

Mr. Crosbie Using part of the surplus.

Mr. Wild We have a surplus of \$25 million. We used \$3 million last month for a special deposit account in Great Britain and it is being invested at interest, but we were thinking of redeeming it in 1950 or 1952. We have therefore \$3 million invested. Shall we say we have \$22 million left, and we may have at the end of the year a little more to add to it. Suppose we use \$10 million of it. That represents only £2.5 million in relation to the £16 million outstanding. That is very small. I don't think they would welcome it.

Mr. Crosbie It may be small to them, but not to this country.

Mr. Wild The drawing of bonds like that is quite expensive. Before we retire more of that sterling indebtedness I think we ought to be quite sure that we won't need this surplus, because if you do need it later on you may have to borrow it for more than 3%, and that would not be good business.

Mr. Higgins I believe there is quite a deposit of money in the bank with the Crown Agents without interest. If that had been invested in Canadian bonds it would have been earning a good interest. Why was it left on deposit?

Mr. Wild There has been none of the Newfoundland government money kept anywhere without interest except those loans which we made the British government during the war as interest-free loans, part of which has now been repaid.

Mr. Higgins I understood from the Auditor General's report that this money was left without collecting any interest at all.

Mr. Wild Take our surplus at the end of last month, and the position is very similar today, there was \$10.5 million at that date loaned inter-