

loan. We were told that the Commission of Government did not think it prudent, having regard for the development requirements of the country, to use the balance of the loans for debt reduction. The Commission of Government did not think it prudent to save this country \$400,000 a year in interest. The Commission is spending more money than any government ever dreamed of spending on what it calls development. Unfortunately, none of it is productive development. And this extravagant government does not think it *prudent to reduce our debt and save us \$400,000 a year*. That, sir, was as far as we could get on that issue. The Commission did not think it prudent. The Dominions Office agreed, and that was that.

What inference can we draw from all this? If we used that \$10 million to reduce the debt we would still have \$20 million left on which to draw if need should arise. Does this mean that the Commission expects to have so much of the surplus spent by 1950 that it will have to draw on that money in England? If that is the case, then I say the quicker we get them out the better, for no Newfoundland government would ever think of spending money on that scale to so little purpose, and have any hope of saving its political neck. There is no special cause to be grateful for the conversion of the sterling debt coming up next January. Money can be borrowed in the open market at 2.5% and we should be getting the benefit of it. We should also have the debt reduced by the amount of the sinking fund. I am not particularly grateful for this intention to convert, because it should be done, it costs nobody anything and it saves us something worthwhile. It was suggested to Commissioner Wild by the Finance Committee sometime before he left for England. No doubt the prudent Commission of Government will be able to use the saving on debt interest to good advantage.

There are many things about our visit to London to which I would like to refer. I did not like the attitude of the Dominions Secretary about Gander airport. I did not like his attitude about the US bases, I did not like a lot of things he said, and I liked least of all the way in which he was able to turn aside any questions of importance when it did not suit him to answer them. We were only a group of Newfoundlanders, the elected representatives of the people, trying our best to

get some accounting of stewardship, and some improvements in our financial relations with Britain, and all we got was frustration at every step. I have no personal axe to grind, but I felt that we were unwelcome visitors who were going to get as little information as possible. In fact, it was clear that the quicker we relieved England of our presence, the happier the Dominions Office crowd would be.

But there is one thing that made me more angry than anything else, and that was the question of our trade with Britain. I do not have to tell the Convention or the country that our problem is markets. During the war years we built up our frozen fish industry from about 3 million to 30 million pounds a year. During these years we could have sold most of our output to the United States, but Britain's urgent needs naturally caused the producers to give priority to United Kingdom markets at prices below those obtainable elsewhere. That was the right thing to do, nobody can have two opinions on this point. When the war was over the demand for Newfoundland fish was greatly reduced, not because Britain could not use our fish, but because the Ministry of Food had to buy it elsewhere. I intend now to give a brief history of the negotiations that went on this year for the sale of 20 million pounds of frozen fillets to the British market. A price was agreed which was lower than fish could be bought from other suppliers. Our products met difficult conditions relating to shipment. Everything seemed to be in the bag, and then the Ministry of Food reneged, and the news came to us from other sources that the order was going to Norway. The trouble, it was said, was the scarcity of dollars. It was then proposed that Britain should take payment for the new Railway steamers in fish, but this proposition was rejected, presumably because the dollars had already been transferred, even though the first ship would not be ready before July, and the others much later. So the last word local suppliers had, was that the Dominions Office had reported having carried the matter to the highest quarters, and had been advised to tell the Newfoundlanders that there was nothing doing. It reminds me of the famous remark of a French queen who, when told the French peasants had no bread, asked, "Why don't they eat cake?"

This fish matter was very much on my mind