

tion amounting to about 300,000 persons, was looked upon as a mere pawn in the game, which must be sacrificed to win the war. But I most strongly affirm that we think differently, and that we consider we are entitled to some substantial and permanent consideration in return for the concessions yielded. Admittedly it was no time for argument when these bases and concessions were granted, as the enemy was literally at our own gates and all statesmen were concentrating upon the first essential, namely the winning of the war.

I do not suggest that we have received no benefit from the occupation of these bases by our American friends, but I do suggest that we have received only a temporary benefit and that we had, and perhaps still have, the opportunity of securing a permanent benefit by means of special tax considerations in the USA in return for the concessions granted by us. I think every fair-minded person will agree that some reservation for future consideration might have been made when the long-term leases of our territory and freedom from taxation were being conceded without consultation with the people of Newfoundland. For all we know, there may have been some reservations, but the bald fact remains that Newfoundland has so far received no *quid pro quo* for the valuable concessions granted.

It was with this fact in mind that your Fisheries Committee added to the factual portion of the report the summary which I will read verbatim, as it is regarded by the Committee as airing one of the most important matters affecting the discussions and recommendations of this Convention:

To sum up the position ... it seems clear to the Fisheries Committee that a very strong case can be worked up for special consideration in any negotiations for improvement in trading relations with the United States of America, as well as with Canada and Great Britain, on the following grounds:

1. The future welfare of Newfoundland is without doubt mainly dependent upon a free market for her export products, especially those from the fisheries.

2. *The future ability of Newfoundland to secure and maintain for her fishermen and other inhabitants a fair and decent standard of living is largely dependent upon such free*

*markets.*

3. The strategical position of Newfoundland as disclosed by conditions arising out of the recent world war, is of the utmost importance to the millions of people in the United States of America and also to those of Canada and Great Britain, and all these countries have a definite interest in assisting the people of Newfoundland to improve their standard of living for the following reasons:

- (a) In the case of Canada the importance of a prosperous Newfoundland is of special interest, owing to the fact that Newfoundland's imports from Canada amount to a very large percentage of the total imports into Newfoundland, whereas unfortunately she is not in a position to provide in her own country a market for Newfoundland's chief exports. It is therefore to the interest of Canada to help and encourage our export trade in other directions, in order to retain and increase her present exports to Newfoundland. Moreover Canada has already received important concessions from Newfoundland.

- (b) Great Britain is obviously anxious to assist us. In recent years she has supplied grants-in-aid to Newfoundland, but it is quite likely she may not be in a position to continue these in future years. She can assist us in making better tariff arrangements not only with the United States of America, but with other countries. Moreover, it can be borne in mind that it was with her authority that sections of our territory have been ceded to the USA without any suitable *quid pro quo* for Newfoundland.

- (c) In the case of the USA, leases of Newfoundland territory for military and naval bases for 99 years, and at the same time facilities for free entry without taxation of any sort of products imported into this country for use at these bases, were conceded without any direct *quid pro quo* for Newfoundland.

4. It would seem to be extremely important to the people of Newfoundland that negotiations should be initiated at an early date with a view to securing favourable trade arrangements for Newfoundland with the USA, not only on the basis of reciprocal tariff