

arose in London within the delegation. The motion that provided for the London delegation empowered it to ask questions only to seek information. That was a right and proper projection of the Convention's own powers, which are purely fact-finding. The delegation had no mandate to advise as to policy. It had no power to bargain or negotiate agreements. It had no justification to advise as to the disposition of the national assets of Newfoundland. Even if it had so wished, the Convention could not have endowed the delegation with such powers, for it has no such powers itself. When a position was taken to the contrary, the Chairman and I had no choice but to dissent.

The dissension within the delegation arose in this way. At the final meeting but one with the United Kingdom representatives, there was handed to us a paper setting forth the considered replies of the United Kingdom government to the questions we had put. Subsequently there began the preparation of a memorandum that would set forth the case as advanced by the delegation. The delegation considered the first draft of the proposed memorandum at a meeting held on the morning of Monday, May 5. We did not make much progress, as disagreement occurred almost immediately on the specific point of recommending the application of the balance of interest-free loans to the reduction of the public debt. The specific sentences with which issue was taken were: "In addition to the above the Newfoundland Delegation are of opinion that the balance standing to the credit of Newfoundland in the way of interest-free loans to Great Britain, and which is now lying idle, should be devoted to the further reduction of Newfoundland's sterling debt." Also: "We cannot understand the attitude of Commission of Government when they advise you that, in their opinion, it would not be prudent to adopt this last-named procedure in reference to interest-free loans, which procedure as we have just pointed out will mean a saving to the Newfoundland Treasury of some \$400,000 annually." And, "... there lies to the credit of the Newfoundland Treasury in the Bank of Montreal in Newfoundland, well over \$20 million which in our opinion, is ample for any immediate or foreseeable construction or development programme." And again, "We strongly urge such a policy and we seek some assurance from the

United Kingdom Government before our departure to report back to the National Convention and through it to the people of Newfoundland." Finally, "Furthermore we consider this proposal a sound business proposition."

Mr. Bradley and I disagreed. We dissented on the grounds that to advise policy was not the concern of the delegation, that we had no mandate to urge the disposition of the national assets of Newfoundland, especially since no reduction in the principal of the public debt could be effected until January, 1948. The disposition of the balance of the interest-free loans was a matter properly to be left for the decision of such Newfoundland government as might by that time materialise. Further, we had no guarantee that a mere \$20 million would be ample for immediate or foreseeable development programmes. After all what is \$20 million when it comes to financing an industrial revolution which is just exactly what we need in our fishing industry? A mere drop in the bucket! Why, already we have \$5 million invested in fresh fish plants in this country, and the surface has hardly been scratched. There were far too many imponderables and unpredictables involved to agree that \$20 million was ample, and in the event that it should prove to be not nearly enough, it would then appear as decidedly unsound business to have eliminated a \$9 million loan at 2.5% only to have to borrow a like, or perhaps a greater sum at a higher rate of interest.

Now suppose we turn for a moment to the results that came of the London talks. Suppose we try to look at them objectively without benefit of emotionalism.

1. *The Public Debt.* The truth of the matter is that we have no case in absolute justice for the cancellation of that debt. It was an honourable debt, honourably incurred by honourable men — and in honour and in justice should be met. I imagine that those men of honour who made Newfoundland — those men of the past who were giants in their day and generation — would disown this day and generation if it sought to avoid such an obligation. We have a conditional case for the cancellation of the public debt. That case is set out in the memorandum submitted to the British government by the delegation. The condition upon which the case rests is Britain's being in a position to cancel, and being willing