

all floating liabilities of the Colony and to carry the Government over the present crisis until revenue will again suffice for the wants of the Island. Would the Imperial Government consider this matter at as early a date as possible and reply on what conditions they would give such guarantee to preserve the integrity of the Colony through a temporary though most serious crisis.

Signed: Governor.

Eight days later the Secretary of State cabled back his reply, which is as follows:

London, Feb. 19, 1895.

To the Governor of Newfoundland:

The application of your Ministers made in your telegram of the 11th February has been carefully considered by Her Majesty's Government. It is a necessary consequence of the self-government enjoyed by Colonies having Responsible Government that such Colonies should not look to the Imperial Government to aid them in their financial arrangements. Such aid would require constant supervision, inconsistent with self-government. To guarantee Newfoundland's bonds would be to create a precedent of wide application which would involve Her Majesty's Government in responsibilities which they could not with justice to the tax payers of the United Kingdom undertake. They are therefore unable to accept the proposal contained in your telegram.

Signed: Secretary of State.

The general principle of responsible government is plain and simple. If a British colony is self-supporting, then it's entitled to responsible government if it wants it. But the very fact that a British colony has responsible government is taken as meaning that it is not entitled to financial help from the British government. If the colony gets financial help from the British government it has to give up responsible government, because no colony is supposed to have responsible government unless and until it is fully self-supporting: and if it is fully self-supporting then it does not need financial help from the British government. Financial help and responsible government are like oil and water — they just don't mix, and so it is not surprising that the British government tells us that you can have responsible government if the people vote for it,

but if you have it don't count on financial help from us.

And now there is one final piece of information that the British government gave our London delegation: if the Newfoundland people decide to stay under Commission government, then the British government will go on being responsible for our country's finances. They'll be responsible for us if we stay under Commission government. That, Mr. Chairman, is a gallant offer by the mother country — a very gallant offer indeed. It is an offer that stirs our emotion. The very gallantry of it brings the tears to our eyes. The old mother country is on the broad of her back. Men around the world are wondering privately if Britain is headed for a financial smash. She has just come through the worst calamity in history. She has been blitzed and smashed almost to pieces — millions of her homes and buildings levelled to the ground by bombs. Her industries have been drained of their vitality, her factories and mills have fallen into decay, her shipping has been sent to the bottom in millions of tons. She opened her very veins and poured out her blood in her own defence and the defence of the civilised world. Britain gave her all, to the last farthing. Her people are bowed down now with a public debt of \$100,000 million — over \$10,000 for every family. The British people have the highest public debt in the whole world. Britain is in debt to her very eyes — you could almost say she's mortgaged up to the hilt, to the very limit, yes, and beyond the limit.... Altogether in the world today the mother country owes more than \$20 billion....

The whole world is aware of Britain's plight. She's being kept alive today by blood plasma in the form of American and Canadian dollars loaned to her. And we are given to understand that shortly she is coming to Canada to ask for another loan of \$500 million on top of the \$2,000 million that the Canadian government loaned her last year. Australia the other day gave Britain a gift of \$80 million. New Zealand on the same day gave her a gift of \$40 million. Those were not cash gifts, those two British countries simply reduced by those amounts the debts that Britain owed them. It was a gesture of goodwill to the old mother country in her calamity, something like the bowl of hot broth that a neighbour in Newfoundland carried to a sick patient next door. For