

figure. Today the pound sterling is valued at \$4.04, which is 10% less than the figure quoted. If Britain had agreed to our suggestion, Newfoundland would stand to gain approximately \$900,000 and Britain would lose this amount because of the dropping of exchange rates. In addition, if the interest-free loans had to be applied to the reduction of our sterling debt, our treasury would have been relieved of paying interest accordingly, as well as the sinking fund, and thus an additional \$400,000 annually would have been saved. For the first year, approximately \$1.25 million would accrue in saving. Consequently, if we summarize the matters to which I have referred, we find that in the case of the interest-free loans, we would have saved \$4 million. Secondly, in the case of the sinking fund another \$1 million, and finally by the application of the interest-free loans to the reduction of our national debt, another \$1.25 million. A grand total, Mr. Chairman, which proper management would have saved Newfoundland, and which we would have to our credit today, of approximately \$6 million.

I think it is timely to refer to the much-discussed base deal. I regard this deal as the most far-reaching, and as far as we are concerned the most deplorable of all the acts perpetrated in our name by the Commission of Government. I refer to the negotiations which they conducted with the British and American governments, whereby the sovereignty of Newfoundland territories was given over to a foreign power under terms which amount to an absolute assignment and forfeiture of all our rights of ownership and administration into and over these particular parts of our country. We were never told then and we do not know today, the circumstances and conditions under which Newfoundland territory was placed under a foreign flag. But those who come after us will look upon this deal as the most shameful and traitorous act which has ever stained the pages of our history. For by that act there was taken, I might almost say stolen from us, something so priceless that other men and other nations have not hesitated to defend it with the last drop of their blood. It is a truly pathetic spectacle to read the story of that time, when Mr. Emerson and Mr. J. H. Penson, representing Newfoundland, were apparently ordered by Prime Minister Churchill to come to England and sign away our rights on an

agreement which had already been written. What a tragedy that Newfoundland was not governed by her own people. How different might the story have been. What an opportunity there was here, if in the interests of our common war effort this national sacrifice was necessary, to obtain our proper compensation!

I hold, Mr. Chairman, that if proper steps had been taken at that time, the national debt of Newfoundland would have been cancelled by Great Britain, and Newfoundland would have arranged and even demanded favourable trade concessions for her fishery products from the USA. But what happened? The United States was given the strategic bases it required, and Great Britain received material help in return for these bases from the United States. Newfoundland received nothing, unless we are to regard as a favour the monies which Uncle Sam was compelled to spend here for the erection of these bases. But even in this case the benefits we reaped were restricted ones, inasmuch as they were restricted upon the direct or indirect instructions of the Commission government, which advised the American contractors not to pay Newfoundlanders the same rates of pay as those paid to either Canadians or Americans. The result of this infamous measure was that it was not uncommon to find Newfoundland workmen doing similar work, just as efficiently as the Canadian or American workmen, but receiving in many instances not more than half the wages of these outsiders. Would the people of Newfoundland have tolerated any such action under any of our former governments, or would any of our former governments so callously ignore the rights of bare-armed labour?

Directing our attention to another phase of this base deal, I have no hesitation in stating, Mr. Chairman, that the Commission of Government and the Dominions Office had no moral or constitutional right to alienate Newfoundland territory to a foreign power. If we concede for one moment that they could have justly performed such an act, then we must also concede that they could for the same reason have given away our entire country to whomsoever they wished. Their first duty was to protect our sovereignty. This they did not do. And there is another feature in this connection which is worth mentioning: the British government, through its agents the local