

to Great Britain was for the purpose of discussing matters of future interest to the country. The object was to try and get the British government to see and think reasonably, as we thought we were thinking, and as the majority of us still think. Our primary object was to discuss the reduction of our public debt by way of refunding, by the use of our sinking fund, and by the application to that debt of our free-of-interest loans to Britain; to discuss future trade relations with the United Kingdom government; to discuss the future operation of Gander airport, and to seek the reason why Newfoundland has been burdened with any deficit on its operation; to see if we could in some way or other impress upon the United Kingdom government the importance to the future economy of our country of Britain purchasing a substantial quantity of our fresh and frozen fish, as well as the product of our iron mines on Bell Island. These are the matters, Mr. Chairman, which I contend we went to the United Kingdom for, and whilst there appears on our agenda a heading "Development Loans", you will all remember that we definitely told the Secretary of State that Newfoundland required no loans for development purposes from the United Kingdom government at the moment, and this matter was dropped from our discussions. Again, let me repeat for the benefit of the country as a whole, that our delegation did not go to London to seek any material assistance from Great Britain. We need no such assistance. If I may be permitted to say, Mr. Chairman, Great Britain is not in a position to give us any financial assistance at the present time. The fact of the matter is, Newfoundland has been and is still helping the United Kingdom government in a financial way, and at the expense of the Newfoundland treasury.

At this first meeting, which might be called a preliminary or informal meeting to discuss generalities, Viscount Addison took each question as outlined in our explanatory memorandum in sequence. And even though it is quite obvious that the intelligent discussion of these questions could only be discussed one with the other, the Secretary of State insisted that each question should be discussed separately. The first question related to the public debt, and Viscount Addison, in effect, asked us what about it anyhow? In reply, we tried to convey that the public debt was

one which certainly called for reduction as well as refunding. We tried to point out that our interest-free loans to the United Kingdom should be used for the purpose of reducing our sterling debt. In our opinion, Mr. Glenvil Hall, the Financial Secretary of the Treasury, was certainly favourably disposed to such a proposition, but the Dominions Secretary was not so enthusiastic in this respect. The latter then suggested that the United Kingdom government might convert our sterling debt, which amounted to approximately \$75 million and bore interest at the rate of 3% annually, to 2.5%, and that such conversion would take place on January 1, 1948, after giving the necessary three months' notice. He also indicated at this meeting that the United Kingdom government would be prepared to reduce this particular sterling debt by the application of the sinking fund, which is held in the Bank of England and amounts at the present time to some \$7.5 million.

With regard to the base deals, we were simply told that these bases had been given to the United States for a period of 99 years, with the concurrence of the Commission government, and that in return Great Britain had received destroyers from the American government. It was admitted by the representatives of the United Kingdom government that no effort whatever had been made to get any remuneration for Newfoundland in the way of preferential tariffs on our fishery products, and that at the present time Great Britain was in no position to approach the American government on such a matter.

It was pointed out to us, however, that if Newfoundland decided to return to self-government, such a government might be in a position to further discuss the whole matter with the United States. We were unable to extract definite information as to whether or not the United States government had insisted on a 99 year lease of these bases, or whether any effort had been made to make such base deals simply for the duration of hostilities. On such matters the members of the United Kingdom government were most evasive and concentrated their arguments against us, on the grounds that these bases were absolutely essential to the winning of the war. The Newfoundland delegation was not slow to point out that our country and our people had no objection whatever to granting such concessions to the