

have to move at a normal rate. Imports of heavily dutiable goods such as hardware, dry goods, etc. would undoubtedly fall off very rapidly under present conditions. By the same token construction might presumably come to more or less of a standstill with resultant unemployment particularly in St. John's. It was pointed out, however, that no construction projects were carried on in Newfoundland during the winter months and that if union were to be consummated by Spring, economic difficulties such as an increase in winter unemployment would be minimized.

Mr. Petton, who in addition to owning a retail business in Newfoundland is agent for several of Newfoundland's large importers, was of opinion that the small retailers would be the class most seriously affected by the transitional period. The merchants in order to maintain their trade had to keep on hand a certain minimum of stock so that the consuming public, in any event, would not in his opinion be affected seriously. On the other hand, the tendency among the large importers was to unload duty-paid goods at a discount to retailers in order to avoid being caught with large stocks on hand at the date of union. The retailers could not advantageously buy goods in small lots and consequently it was quite possible that they might have to absorb fairly considerable losses at the date of union.

It was pointed out during the course of the discussions that the opinions expressed were not based on actual figures but rather on the personal knowledge and impressions of the informants. It was suggested that no decisive steps could be taken (if any need be taken) until actual figures were produced by the Newfoundland delegation with respect to the impact of the interim period on the Island's economy.

P. P[ELLETIER]

679.

10300-E-40

*Le gouverneur de Terre-Neuve au secrétaire d'État aux relations
avec le Commonwealth de Grande-Bretagne*

*Governor of Newfoundland to Secretary of State
for Commonwealth Relations of Great Britain*

TELEGRAM 188

St. John's, August 14, 1948

PERSONAL. SECRET. Repeated to UKREP Ottawa No. 13, Begins:

Your telegram No. 188.[†] I thought you would be interested to know that one of the most influential members of the Responsible Government League, one who had the high honour of winding up the whole campaign on behalf of the League in a nation-wide broadcast address on the eve of the poll, Mr. C. E. Hunt, K.C., received an invitation to be a member of the Delegation and declined. Also the person who had the distinction of introducing Mr. Hunt on the radio on the eve of the poll, Mr. R. G. Winter a leading businessman in St. John's, was invited to be a member of the Delegation. He also declined.