

of Alaska, in the House of Representatives in May, 1932, in which he discusses very fully the entire situation in that territory.

My opinion is that the United Kingdom has a responsibility to Newfoundland. It has supplied it with a Governor, and there has been a constant connection with the Island, first through the Colonial Office and latterly the Dominions Office. While the people are modest and unselfish, our attention was drawn when there to the fact that Great Britain forgave Allies in Europe of much of their debts to it at the close of the war in order to keep those nations from going under, while Newfoundland whole-heartedly entered the war, and came out with a capital expenditure of some \$12,000,000, which has since been materially increased and now they find themselves very seriously embarrassed financially.

Please do not misunderstand me. I am not suggesting that the United Kingdom is attempting to evade any responsibility. That has not been its history and I am proud to say I believe it never will be, once it reaches a conclusion that it has a responsibility.

If the Government of Newfoundland defaults at the end of next month, and offers its security holders the reduced interest payment plan it contemplated before the United Kingdom and Canada came to its assistance last December, and drifts along hoping to work out of its difficulties alone, I am fearful there will be serious difficulties ahead for the Island.

The only alternative seems to be for the United Kingdom and Canada to work out if possible some plan by which they would be willing to make good any deficiency on the part of Newfoundland in meeting some materially reduced rate of interest on its bond issues for possibly three years. That period would allow a constructive policy to be well under way, also any reforms made effective in the Government services of the Island which the Royal Commission may regard as necessary, provided their recommendations meet with the approval of the people.

If some such programme as the foregoing could be carried out for say two or three years, Canada meanwhile taking a real interest in the welfare of the people by making its public service in a limited way available for the benefit of the Island, the people themselves would have a better idea at the end of that period as to their future; and my opinion is that they then would be desirous of entering the Canadian family.

Yours sincerely,

C. A. MAGRATH

950.

Le membre canadien de la Commission pour Terre-Neuve au Premier ministre
Canadian Member of Newfoundland Commission to Prime Minister

PERSONAL AND PRIVATE

June 2, 1933

Dear Mr. Bennett,

It has occurred to me you should know that Mr. de Champlain appeared before the Newfoundland Commission in Montreal on the 24th ultimo. He