

Mr. Chairman No, Mr. Miller, I don't want to, because if a precedent is established in this case, it lays a foundation for more serious departures than in the past. We'll have to remember this, that this Convention is constituted ... by legislation of the Commission of Government. Now the functions and duties of this Convention are set forth in section 3 of the act, and they are of a three-fold character. Any is not to be referred to unless of course it is incorporated by reference into the act constituting this Convention. You have to understand, your functions and duties and your liberties and all the rest are strictly defined by section 3. Therefore, if you can read in the Letters Patent suspending our free political institutions, if you can do that, then of course there is no limit beyond which ...

Mr. Miller ...I intend to confine my remarks to the economy of the country and to the survey made by Lord Amulree at that period. And to draw comparisons if I may with our present economic ...

Mr. Chairman If you don't mind, Mr. Miller, I would prefer if you would deal with the condition of things as Amulree found them. And deal with our present position if you don't mind. If you would disassociate the Amulree report with anything you have to say then as far as I am concerned it is wide open.

Mr. Miller Well, turning to this Amulree Report we find such passages as this: "The broad facts of the financial position in Newfoundland are unfortunately all too plain. Ever since the war period the country has been living beyond its means. The Island is now in extreme financial difficulty." That is about our finances and our economics at that period. Now our Economic Report presents a budget, and a loud clamour is raised that its proposed expenditures are too high. We want more for this and more for that. We want to repeat the mistakes of the 1920s — spend our surplus and have nothing for the rainy day. And yet in the same breath they claim that three years is not enough to look ahead — it must be 20, 50 years, what fantastic reasoning....

Again, 1933 — "The situation today is that, as a result of the extravagance of the post-war period, a debt has been incurred which is out of all proportion to the country's capacity, and we

cannot avoid the conclusion that, given this scale of indebtedness, there is no prospect of the Island being able to pay its way even under normal trade conditions...."¹ In the preceding paragraph they give the national debt as \$101 million, or a per capita debt of \$400. These are the facts, Mr. Chairman, and in the calmer moments of our deliberations let us neither neglect nor fear to analyse them....

And so submitting these passages from the Amulree Report, I expect to find comparative answers in our Economic Report on present day circumstances. On page 41 of the Economic Report, ... "all throughout our object has been to try and give that good a picture as we possibly can of the state of our country. Any figures used by us, in most cases, have already been submitted to the Convention in the various committees' reports and have received the approval of the delegates. And in some cases, where we do expect opinions, we have taken care to have their correctness endorsed by those competent to do so." With these remarks for a background they continue on page 43, "Our present revenues therefore, are substantially solid in their structure and seem capable of carrying on without any serious decline. However, in estimating future revenue, we prefer to err on the conservative side." From there it goes on to say that whereas present revenues have dropped at the \$40 million mark, in their budget, they make allowances for a drop back to a normal figure, back to \$30 million. Dealing with the country's capacity to maintain this greatly reduced figure, a step-by-step presentation of the position of our country's industries is submitted. And may I be again permitted to examine briefly and compare just a few with the findings of previous investigators? Mining — very conservatively the Amulree Report said, "In general it may be said that the possibilities of mineral development in Newfoundland have been by no means exhausted." What does Chadwick and Jones say? Very discreetly they sum up, "it is not however possible, at this stage, to indicate what effects these developments may ultimately have on the economy of the Island". What does our Economic Report say, page 17. Summing up on the sale of iron ore it says, "Thus we feel that under

¹Newfoundland Royal Commission, 1933 Report (Cmd. 4480, 1933), p. 46.