

probably, from what I can judge, a very small part of our savings in comparison with the investments in securities. I realise it is impossible to get it with any degree of accuracy; but because we cannot get it with any degree of accuracy, does not mean we cannot depend upon a certain amount there which can be used as collateral against loans raised to develop the country or used to bring in income, and it is doing it, year after year. I would have pointed out the better position of our capital assets throughout the country — our business premises, our barns, our homes and other equipment and I would have pointed out this — and this may be a strange thing to bring in an Economic Report — the development of the radio. Radio is not just a means of communication. If you can use your means of communication to further the enlightenment of the people, you have created an asset which is something you did not have before; just as you say our health and education are assets which ought to be brought into questions of political economy. I would point out something else which has helped our economy, that is the development of trade unions and the development of the co-operative movement. Not only on its financial and business side, but in the spirit which it is bringing about in our country and the education which it is doing. I would also add a word about the service industries to which nobody seemed to have paid much attention.

In all, the conclusion reached from my point of view is that we are considerably better off than we were in normal times, and much better off than we were in 1934, the date given in our terms of reference. In saying that, I am well aware of the fact that if we look too far into the future, it may be that Newfoundland will strike hard times. The people of this country are not fools. They know that as well as I do. And when some people say they want the truth, they know it is the truth. They also want to know about our chances of the future. I think the Economic Report gives that very reasonably, although as Mr. Burry said, it might have had some shadows put in it.

Having done that, I would ask myself, "Is this economy of ours the result of the war?" I would say, "Yes, to a large extent". It is also the result of our having got back to our normal export position. I would add that when the war is over you go into a peace economy and it may be

entirely changed; because of what happened in the war, that peace economy may take a long time to settle back into the condition it was before the war started.

Having done that I would enquire into the relationship of our economy with government expenditure. As I see it, and reducing it to its simplest terms, it is this: if a group of people have some way of producing wealth which is measured by money, they have two courses open to them. One (which is as old as the first fog) is for each individual man and family to do things for himself, like looking after his own sick, educating his own children, building his own roads and other things which have to be done in order to make existence possible. Or he might say, we have a lot of things in common — we have education, health, roads, protection of property and of persons, we have communications. All these things we have in common. Now, out of this we can produce, either as individuals or as corporations, or co-operatives, we can produce a certain amount of wealth, which can be measured in money, out of which we take so much to give — not to some big ogre, as some people look upon the government, any government, but to ourselves — so that we can spend it on the things which we have in common, and relieve ourselves of the private and individual need of doing it. That is why I say it does not make much difference where you set the point of revenue and expenditure as long as you base it on your taxable capacity, or your own ability to produce that which allows people to live and pay for the things they have in common. In assessing our position in relation to 1934, I would state quite frankly one thing, I would say from 1920-33 — what is commonly known as the "roaring twenties" — we in Newfoundland, in common with other countries in the world, went on a binge of extravagance; we built for ourselves overheads which we were not entitled to build up and for which we could not pay....

Looked at in one way, our public debt and its burden brought Newfoundland to her knees because at the time we borrowed money we paid 5% and 5½%, and I would point out today we have \$80 million with interest payment halved, because we are now paying 3%, therefore we do not have to carry the burden of \$2½ million which would have helped us considerably in the