

ing home the first time, they came to a land suddenly aware of the public amenities of the industrial civilisation on the mainland. Newfoundlanders were looking with envious eyes at the standards and services of the nations on the other side of the fence, and soon they were wanting some for themselves at the top of their voices. Government did the best that it could with the little it had. It managed to provide a few more miles of road and a few other pathetic odds and ends. But that extra effort was the last straw that broke the camel's back. Notwithstanding all the blame that has been heaped upon their heads, it was not so much our politicians who failed us in that hour as our economy. Came the Commission, and for seven years, it did little better than the politicians. I have always thought that the Commission would have done much better if it had acted as a commission. It had the power, had in the beginning the goodwill of the people. It had a better chance to do a more notable job than any government this island has ever had. But it fell short of what it might have accomplished. Somewhere along the line it seems to have become more concerned with heeding the dictates of its ear to the ground, than proceeding with the reconstruction paths to which it was committed, and standing for no nonsense.

And then the seven years of plenty were upon us. The phrase is more euphonious than exact, but I have yet to be convinced that what the war brought to this land may rightly be termed prosperity. I still agree with myself in what I said at the beginning of this Convention — that all that came of the war jobs and the war dollars, was that a few more Newfoundlanders than ever before came a little closer than ever before to achieving a decent standard of living. For the most part, in most instances, where there was something over and to spare it went to replace and to restore what had rotted and mildewed away during the depression years.

In the matter of public finance, the last seven years have been years of surplus. We have more than managed to make ends meet. In each year there has been a comfortable margin over and to spare. However, as far as I am concerned it is an open question whether we should have today a \$30 million treasury surplus. Granted, the Commission of Government acted in accordance with the first principle of modern cyclic finances to tax

to the hilt in periods of prosperity so there may be a backlog to fall back on in times of depression. But the Newfoundland people had endured so much, and had so much to restore and to replace — in many instances down even to bed linen and kitchen utensils — that it is an open question if that \$30 million accumulated in the treasury should not have been foregone in the interests of a lower cost of living; if instead of the preoccupation with a system of taxation — that is the fine art of squeezing blood out of a turnip carried to perfection — the authorities had been more concerned to control living costs, Newfoundland might have been better served. Government has latterly shown, and is showing a belated and ponderous concern with the cost of living. It was rushing around frantically to lock the stable door after the horse was stolen, just seven years and possibly \$30 million too late.

Our continuing ability these last years to balance the budget and have a couple of million to the good is a new phenomenon in local public finance. The phenomenon is all the more remarkable in that the budgets of these last years have provided for many new improved public and social services. This continuing ability marks a drastic change with all that has gone before. If there is reason to expect that this intoxicating new ability to more than make ends meet will continue to be ours in the normal times of the future, then are we saved indeed. Is there reason to expect that? We must search our economy for the answer.

In the past our economy was never equal to the task of providing such revenue as could finance the striving after public and social services that would in some measure compare with those on the mainland. In consequence we came upon catastrophe. What we must look for today is some fundamental change indicative of an increase in taxable capacity to support the desired social services. To look for less than that would be to presuppose that the Newfoundland people will be forever content with decidedly inferior standards of public and social services than those enjoyed by other British and American peoples. I know of no good and sufficient reason why we should be reconciled to a destiny so meager and austere. I have yet to be convinced that we, who stand at the crossroads of the Atlantic community, should be content to stand in sackcloth