

the pledge given us by the British government. The British government came to our aid generously and fully in our days of need, and advanced us \$11 million, and let us show our appreciation of this fact. We live in a world in which we are interdependent. No man lives to himself, no country lives to itself. As the ebb and flow of tides continue, so a mutual world trade and commerce will ever be present upon the vast expanses of our ocean, bringing us, we hope, the necessary essentials of life, and also carrying our own products by which we live and by which we have flourishing industries, and to provide the necessities of life....

Our strategic position between the new and old worlds, being the Gibraltar of North America, gives us a wide bargaining power. We have near our shores vast treasures of the deep, which when properly developed and effectively marketed will enhance our economy. We realise we have been fortunate in having UNRRA and the rehabilitation associations to help us out in the marketing of our produce, and as we face the future it gives us some concern regarding the competition which will soon be evident from fishing countries on the other side. We must see to it that our capital assets bring to our shores that necessary wealth by which our people can live and maintain themselves in dignity and security. That is why people long for freedom from want and a sense of security, so that they will be able not only to have three meals a day, but there will be that dignity and that prestige which we as Newfoundlanders desire. It is unthinkable that we should do without the necessary amenities of life in order to provide and build up an expensive administrative form of government. We have many drawbacks, some of them resulting in unemployment. In the north, people can only work for a period of a few months, necessitating quite a bit of spare time. There is a serious curtailment in the earning power of Newfoundland as a result which we must try to overcome. Our social conditions need improving, the cost of living needs to be lowered. In this great task of building a better Newfoundland we are digging the foundation. Let us find the solid ground on which we can help to build a better New-

foundland, realising that we are building and working together, and let us see to it that we do not labour in vain.

[The debate was adjourned, and the Convention resolved into a committee of the whole to hear the address of the Commissioner for Finance]

Mr. Wild I believe it is the wish of the members of the National Convention that I should this evening give a broad outline of the financial position of Newfoundland as I see it. *The Report on the Financial and Economic Position of Newfoundland*, prepared by the Secretary of State (which I shall refer to as the White Paper) which has been prepared for the assistance of the Convention, covers a good deal of the same ground and gives more detailed information than I shall be able to attempt today. I would also like to refer to the survey on Newfoundland, edited by Dr. MacKay¹, copies of which have, I believe, been circulated to members and which contains much valuable information. What I have to say will not be new, as I believe that most of you have already given a good deal of private study to these important questions and fully appreciate the essentials of the present position, but my talk will, I hope, be of some help in bringing these matters into focus.

It is chiefly with government revenue and expenditure that, I take it, you are concerned at the moment, although in your present deliberations this must be considered in relation to the economic position of the country as a whole.

Perhaps it would be most convenient if I started by reference to government expenditure.

The table on page 5² of the White Paper shows a rise in expenditure between June, 1934, and March, 1946, from \$11.6 millions to \$29.1 millions. The latter included over \$6 millions of reconstruction expenditure, so that a figure of \$23 millions should be taken for comparative purposes. The estimates for the present year again provide for a total of \$23 millions, if we exclude reconstruction and special expenditure amounting to \$11 millions to which I shall refer later. This increase from \$11.6 to \$23 millions in ordinary expenditure, i.e. the cost of maintaining government services at their present level, including the service of the public debt, is large —

¹R.A. MacKay was special assistant to the Canadian Under-Secretary of State for External Affairs and editor of *Newfoundland: Economic, Diplomatic and Strategic Studies* (Toronto, 1946).

²Volume II:18.