

it is possible for us to do that, but it is only possible if we realize our shortcomings and are prepared to start in realising them and working for a more socially just economy.

....I agree with the two members who said it was not necessary for the Committee to prepare a budget; but having prepared it, it is subject to our scrutiny. I wonder if in making up allowances for old age pensions the Committee is not basing the estimate on the standard of old age pensions given today? I worked it out myself.... I am puzzled just what we will have to do to qualify for one of these pensions. In a matter such as that, I think the Committee's estimate is too low.

I am not going to discuss either the merits or demerits of setting up a merchant marine. I do not think it is incumbent upon the Committee to make such recommendations at this time. However, if you are going to discuss such things, perhaps it would be well for the Convention and the Committee to discuss not only the setting up of a merchant marine, but also the setting up of a Crown company to run that paper company on the south coast in which there will be a great deal of money. All our wealth in one form or another is being shipped holus-bolus out of the country. We have no control over it. We benefit very little from it except in the matter of labour. While I am on this subject, I might offer this suggestion: how much stronger would the economy of this country be if the \$8 million we have invested in the banks, were invested in organisations which could put that capital to work here in Newfoundland. Because capital is the means of production, and as the report shows we have twice as much money as we had in 1934, or more. I imagine in the case of capital goods as well as money, we are also far ahead of 1934, and our means of production is a great deal ahead of what it was in 1934. To what greater extent than in 1934 is this means of production controlled and used by and for the people? The means of production, whether it lies in the Savings Bank, insurance or other forms, are being shipped out of this country and being used to produce wealth for other countries.¹ Presuming that the means of production is twice as great as in 1934, is Newfoundland producing twice as much wealth? Is the Labrador fishery twice as great? Are we producing twice as much salmon,

timber, and so on?

Newfoundland is hitched to the banking system of another country, with the result that real wealth leaks out of this country. Consequently, Newfoundland money is being used to develop and create wealth in other countries. As things stand at the moment the Canadian banks could depreciate Newfoundland's savings by 10% or 15% at a stroke of a pen, and Newfoundland could not do a thing about it. One of the primary functions of a bank is the control of credit, and the control of Newfoundland's credit is vested with outside interests. This control could be used to Newfoundland's disadvantage. When Newfoundland went broke in 1934, for example, there was \$25 million in the banks. Yet the government could not borrow this money. Newfoundland could not control the financial system, and thus was not an independent financial unit.

Another point in Newfoundland's economic set-up which bothers me is that this country has little control over the production of foodstuffs. The question of Newfoundland's ability to double her agricultural production has been raised. But I wonder how far it can be pushed towards covering essential supplies. I am of the opinion that the gap left between this production and the actual requirements represents the degree to which Newfoundland must export or perish — in other words, the degree to which Newfoundland is dependent on other countries, and thus the degree to which Newfoundland is dependent on the export policies of these other countries.

I want to disassociate myself from the report's remarks on a lack of faith in the country. Actually I prefer the word "trust" to "faith". The people do have hope for the country, and if they lack trust, it is a lack of trust in political leaders. They need new leaders, or old leaders with new ideas. The report is definitely wrong in suggesting there is a lack of hope and trust. A recent storm did \$10,000 worth of damage in one settlement. But the people did not sit back and bemoan the fact, they began to rebuild.

The report ends with the words of President Roosevelt: "We have nothing to fear but fear itself". The people of Newfoundland are not afraid. If they are, perhaps, afraid of politics, it is

¹The following section of Mr. Newell's speech was reconstructed from *The Evening Telegram*, 15 November 1947, p. 26.