

revenue (subject, of course, to tariff adjustments), and also in the yield of income tax based on earnings and profits. To maintain ordinary expenditure at its present level, we shall, as I have already pointed out, require at least \$23 millions a year, and the more we can raise in excess of this figure, the better shall we be placed to undertake development projects.

I have been asked if I would give to the members an estimate of the total national income of Newfoundland. This is, of course, an important index by which to measure taxable capacity and I have always regretted that we are not so well equipped in Newfoundland as in some other countries to measure this factor, which is being used to an increasing extent for taxation purposes. The answer to the question can best be obtained by reference to the appendix on page 528 of the survey, edited by Dr. MacKay, to which I have already referred. It will be noted that lack of adequate basic information has prevented the writer from making more than a rough estimate and has compelled him to make it with reference to a pre-war period. His estimate amounted to approximately \$45 millions per annum, which he suggests had been doubled during the war. I do not know whether any of the members present are familiar with the intricacies of calculation of national income according to the formulae normally employed. It is a very complicated business and no statistical calculations can be of much value unless adequate and accurate basic information is available. It is certainly not available in Newfoundland at the present time and the only practical way of getting down to the task would probably be to take samples of individual incomes of cross-sections of the community as a basis to work on. One of our greatest difficulties in obtaining basic statistics in Newfoundland has been the reluctance and suspicion of the persons called upon to give the necessary information, and it will need something in the nature of an educational campaign before we can obtain the data which we require for the purposes we are considering. Our difficulties are all the greater because of our scattered population and because such a large proportion of our population work as individuals rather than as wage-earners in industrial undertakings. I might add that notwithstanding these difficulties we have been considering whether we could enlist technical

assistance to carry out a survey of the kind which would be required, and I hope that it will be possible, in due course, to give a closer estimate, though I am afraid it will still be merely a rough estimate, of our national income. I should like to make it clear that, although our statistical information has not reached the standards we desire, it is nevertheless much more complete than it was a few years ago. We have indeed made considerable advance in this direction and, moreover, we have greatly improved the methods of collating the information obtained. Returns of imports and exports are, for example, now produced quarterly and much more promptly than formerly. I have brought with me a copy of those for the quarter ended 31 March, 1946, which members can examine if they wish. I should be pleased indeed to arrange for any members who so wish to see the very modern and extremely interesting machines which we have installed in the Department of Finance for statistical and other purposes.

There is no doubt that our taxable capacity has increased considerably since before the war. The country is stronger in a number of ways and a good deal of money has been spent in the reorganization and improvement of the fisheries, but there is still room for considerable development, as the chairman of the Fisheries Board pointed out the other day. To increase our standards of living we must, of course, increase our output per capita. Although we cannot expect the price of fish to continue at its present level, there are promising signs, such as the activities of the International Food Organisation, which suggest that a determined effort will be made to stabilise prices and to ensure that primary producers are given a fairer deal than they often were in the past. We have a number of promising new industries, such as the canning factory which is being installed on the west coast, and the prospects of the paper and logging industries, for the next few years at any rate, are distinctly bright: the companies concerned are looking for additional labour. The future in regard to mining is not quite so clear, but work is steady at the present. We also have to take into account the several thousands of men engaged in steady employment at the American bases and the Gander and Goose airports.

In assessing, on this very broad basis, prospective levels of production, to which our taxable