

quence of that action, plus loss of British war contracts, our newly-erected frozen fish structure was forced into considerable idleness and we were reduced to salting much of this year's catch of cod. At the end of August, Britain froze sterling convertibility, and in a day or two all that the fishermen of this island could obtain for their fish were open receipts. We escaped a considerable economic crisis by a hair's breadth, because during the last several years we had accumulated a little over and to spare. But without our war-begot national surplus to fall back upon, we should certainly at this moment be in the thick of an economic depression of the first magnitude. In this island the margin between ability and inability to make ends meet is a matter of a few million dollars, and were it not that at this time of sterling crisis we had a few millions in the sock we should now be on our uppers.

The point I wish to make is that overnight two acts completely external to this country brought into prejudice the very livelihoods of many of our people, and we couldn't raise a finger to help ourselves. There is nothing much that we can do to lessen the vulnerability of our economy. The devices that nations of greater economic power may resort to, such as deficit financing and currency manipulation, are beyond our means. And already there has been done as much as could be done. Until quite recently we used to put a great deal of effort into cutting our own throats on the world's fish market. The disastrous competition among local fish dealers in the days of consignment shipping generated a considerable internal vulnerability in our economy. Fortunately an end has come of all that, and now in the Newfoundland Associated Fish Exporters Ltd. we have an instrument to prevent us from cutting the ground from under our own feet in the foreign markets. Our economy has retained its essential characteristic of an export economy, but a new element of considerable significance has nevertheless come to enter into it, the advantage of increased national income from the services rendered by Newfoundlanders at the military bases. Since these bases are likely to be long maintained, unless some Newfoundland government of the near or next-to-near future manages to break the leases, that increased income may be counted upon to continue. We may take it then, that a stabilising influence of significant propor-

tions has come to appear in our economy.

It is not possible at this moment to rate Gander in the same category. The last report we had of Gander in this Convention gave reason to believe that it would be a charge upon the treasury for some time to come. Under these circumstances the increment to our economy from the earnings of individuals at the airport must be viewed as something for which this country pays through the nose, so that those employed there may have the privilege of earning what they do in that particular way — whereas they might be employed in other productive work that would yield a similar income. Since the incidental income at Gander, by which I mean that which derives from purchases made by transients and other than official services rendered to them for which they tip and pay extra, is an unknown quantity, the absolute value of Gander to the total economy of the country must remain in question until such time as the airport is paying its own way. Maybe that time is now. I confess to no knowledge of the latest figures, but I understand that the number of daily flights through Gander has increased considerably these last few months. In any case, just to what extent the pay in Gander could be depended upon as a stabilising agent in our economy must ever remain in doubt. For there could never be any certainty that planes would not take to overflying the airport, in which case Gander would become a ghost town and we should find on our hands the greatest white elephant in the world since the Maginot Line.

To sum up then, it may be said that our economy would stand a fighting chance of supporting us in the manner to which we have lately become accustomed, given the right kind of world conditions. But there's the hitch. Given the wrong time in world conditions, and my last forgotten fishermen on the bill of Cape St. George will probably starve again, only the next time I hope he won't be so persistent about it. The best formula ever put forward to stabilise the economy of Newfoundland was put forward by a citizen of the United States. He was Wendell Wilkie. He had a plan for "one world". Only in such a world, wherein the great currents of trade and commerce would flow freely, could Newfoundland and all the other islands of the sea ever come to know any consistent measure of economic security. And what are the chances for