

as for me, no form of government will be satisfactory for Newfoundland that does not progress in accordance with modern standards. But I would point out without trespassing, sir, on the Economic Report, that the whole thing boils down to the size of the cake from which you can get that piece which goes toward looking after government expenditure.

**Mr. Fowler** I feel I ought to avail of the opportunity to compliment the Finance Committee on its excellent report, and in particular do I compliment the chairman of the Committee, Major Cashin, because I know that if it were not for his great knowledge of and experience in the finances of this country, this voluminous and factual document which we have before us today would not be what it is. I contend, gentlemen, that this is the finest piece of work of its kind ever produced in this country especially when we realise that no experts were made available to the Committee, and that they had but limited access to facts relating to the government's finance. It would be well for the members of this Convention and the country in general to study it carefully, covering as it does in detail the history of our finances and matters relative thereto over a period of nearly 40 years, divided and subdivided into periods affected by the various economic changes which occurred, and which of necessity affected the finance picture. It is my opinion that if any one of the reports of this Convention is to materially assist us in reaching a decision, this Report of the Finance Committee is of paramount importance, in conjunction of course with the economic side of the picture. Mr. Chairman, it is mere folly to waste time in criticising the report; rather should we spend more time in trying to learn something from it by asking questions and discussing them in an intelligent manner in the light of the facts presented therein. Major Cashin, in his review on Thursday, commented on the high revenue of the present fiscal year to date, and remarked that by the end of the year it may exceed \$40 million. This is well in excess of the \$37.5 million in the budget estimates, which incidentally was by far the greatest ever anticipated in this country. 70% of this estimate has been realised in six months, and this has been achieved in spite of certain duty reductions made in the past year. The chief source of revenue is still customs and excise,

revealing much heavier importations. This in turn reveals that there must be adequate purchasing power in the country. If the government could keep within its already extravagant budget, we may well realise a surplus of some \$3-4 million by the end of the year. In view of these simple facts, one may consider this country self-supporting. And it has been self-supporting for the past six years. The immediate future is not too gloomy but whether we will be self-supporting in five or ten years from now, I do not know, and I defy any man in this Convention to state definitely whether we will or will not be, regardless of what form of government we adopt. Twice in our time we have seen the world wage internecine war that all men may be free and possess the right of self-determination. We may have this now for the asking. What are we going to do about it? Lie idly by while outsiders exploit us, or go forward to meet our destiny like honourable men? We are in a far better position today than we were at any time in our long history. Our finances are sound, our economy is more diversified and our strategic position at the crossroads of the world is recognised by all. Let us meet the challenge unafraid and prove that we are adequate to the task of self-determination.

**Mr. Newell** A little while ago I asked a simple question and when I finished somebody else started to talk about something else, and I think the point may have been overlooked. Before we close I'd like a simple answer. The question is this, in reference to a statement that it is the considered opinion of the Finance Committee that at no time during the period from 40-41 to 45-46 should the total expenditures of the country have exceeded the sum of \$21 million, what I want to know is this. In making that statement, was the Committee considering that the present services which our government is providing could have been provided on \$21 million, or were they looking at it from the point of view that we could have done with fewer services, which would have reduced the expenditures to \$21 million? I'm not arguing the point one way or another, I just want that cleared up.

**Mr. Cashin** Mr. Chairman, in reply to Mr. Newell, I've been waiting until such time as all the gentlemen who wanted to talk on this Finance Report are finished, then I intended to cover these answers as best I knew how.... Well sir, I will