

of our per capita debt. Every now and then a great furor is made over the fact that our per capita debt is comparatively lower than that of some other countries. Thus the Finance Report notes with a gleam in its eye or maybe with its tongue in its cheek, that our per capita debt is \$237, the per capita debt of Canada is \$1,387, that of Great Britain approximately \$1,900, and that of the United States \$1,853. So far, so good. But all that is a lot of statistics, sound and fury signifying nothing much in particular. Our per capita debt has a certain significance when it comes to the interpretation of our financial position. But the fact that it is lower than that of some other countries is of absolutely no significance as an index of our economic power to provide for ourselves. Nevertheless, many Newfoundlanders seem to derive some measure of economic assurance for the morrow from these facts. That comes very likely from the confused notion that the average Newfoundlander is, in some mystic way, better off than the average Canadian, because he has but \$250 per capita debt hanging over his head, whereas his counterpart across the Gulf has a per capita debt of \$1,375 hanging over his. However, the economy of Canada is much more capable of carrying the burden of its per capita debt than is the economy of Newfoundland at carrying ours. I may add that in the instance of Canada and the United States, the national debts are to a large extent internally contained, whilst ours is overwhelmingly an external debt. They owe their per capita debts across the street. We owe ours across the Atlantic. These are the essential considerations, and as I have said the current comparison of the per capitās signifies nothing much in particular. Something of decided significance would be if comparative statistics of our per capita income were to show Newfoundland well out in front. However, such statistics we rarely see, and I wonder if it could be because they do in actual fact show Newfoundland well to the rear.

The second example I have in mind arises out of the current protestations that Newfoundland is self-supporting again. Now self-support is something decidedly in the province of economics. Yet the top arguments offered in evidence of self-sufficiency are a balanced budget and a treasury surplus, matters decidedly in the province of finance. The current emphasis upon

a balanced budget and a treasury surplus as indication of self-support is the greatest single non sequitur that confuses this hour of decision in our land. The financial proceeds from the economic. It is upon the taxable capacity of its economy that every nation depends for the wherewithal to finance its sovereignty. So I shall turn first to the financial changes that have taken place in this island since 1934, and then endeavour to determine if they proceed from fundamental change in our economy.

If we consult the statistics of revenue and expenditure over the years, we observe that public finance in this island has fluctuated through three phases — a period when we managed to make ends meet; a period when we didn't manage to make ends meet; and a period when we more than managed to make ends meet. We will more clearly appreciate the character of this last change with which we are today confronted if we begin where responsible government began.

We began responsible government on a shoestring. In the year when we set out upon the high adventure of being sovereign unto ourselves, the revenue of Newfoundland was but a meager half-million dollars. There may be some among us who may be inclined to work themselves up into italics at the thought that government in those days could manage with so little, and who work themselves up further into injunctions to the government of these days to go and do likewise. There are others, however, well inclined to wonder, and I have heard them wondering so, out loud, if, since there was a gaunt half-million dollars to manage with in the first place, we should have been granted responsible government at all. After all, they reason, to undertake responsible government is to undertake to provide the population with many more public and social services. We still had those 6,000 miles of coastline in those days, even if there was only 120,000-odd people to spread along them; and just how could it have been expected to serve in any adequate manner or fashion, so little spread out so widely? They are inclined to think that it would have made just as much sense, perhaps more, to have granted responsible government to Ferryland or Bell Island. They wonder if the founding fathers of this nation did not bite off much more than we could chew. They do know