

Mr. Miller We are getting away from the matter in hand.

Mr. Chairman I think he is coming indirectly to that point.

Mr. Bradley I am going to make a comparison of the economy of the country without a war period and with a war period. I repeat that for the 50 years which ended in 1939 the government spent a total of \$306,800,000. There are a few odd thousand dollars which I have not included, because I did not see much necessity of it, and in that respect I have followed the methods of the Committee itself. That then was their revenue — \$306,800,000. But capital expenditures made by the Commission of Government in the years from 1934 to 1947 is added, and so then in the years of Commission which come within my period, namely the capital expenditures from 1934 to 1939.¹

Now I admit quite frankly that I have not been able to estimate the amount of such capital expenditure accurately from the report. I would judge it to be around \$4-5 million, but I will be generous in the matter. In my period, Commission was in office about five years only. In the period taken by the report, they were in office 13 years. It is obviously fair to say that their capital expenditures were much greater in the last eight years of their term when they had vastly greater revenues and heavy surpluses. Therefore, if the expenditure on capital account in the whole 13 years of Commission was \$20 million, the first five years, which was all that my period of 50 years include, would not account for more than \$7 million. Deduct this \$7 million from the total expenditure of \$306 million and we get a net expenditure during that period and up to the beginning of the war of \$299.8, say \$300 million in round figures. In that same period they had a total revenue of roundly \$280 million. Therefore, in the 50 years ending in 1939 they fell \$20 million short of meeting expenses on ordinary account. That is to say, they ended the half century with not a surplus but a deficit of \$20 million.

Then came the war, six years of it, and two years not of peace, but of armistice and armed watchfulness. Prices soared to unprecedented heights and wages followed painfully in their wake. And we find that a miracle has happened.

By 1947 that deficit of \$20 million on ordinary account in 1939, has become a surplus of \$15 million in 1947. Our position from a governmental standpoint was improved in eight short years by roughly \$35 million. What was the cause of this providential change in our government's position? The war? Not at all, says the committee. Making every allowance, they say,

for the momentum (whatever that may mean) of war expenditures carrying on after the close of hostilities, and allowing for the gradual recession of this boom period, it is yet an obvious fact, that our present revenues cannot be something dependent on war boom. There must be some other cause, and on examining the matter further we found that a great portion of our present revenue is coming to us because of growth of our main industries.

It would be relevant, sir, to have set out some of the details of that growth. But we haven't got it. And is the present price of some \$14 per quintal for shore fish to have none of the credit when we recollect that in the immediate pre-war years it fetched about \$5 only? And so this Economic Report asks us to believe, and what is more important asks this country to believe, that present revenues are due to anything but war. Such, sir, is the optimistic assumption of the committee. That assumption will be received by the people of Newfoundland, I fear, with amused incredulity. They know the difference between \$14 and \$5. They are watching, watching with anxious hearts, for the first indication of a break in price.

We have heard a great deal in this Convention, sir, about the desirability and the possibility of getting the Government of the United States to grant to Newfoundland some kind of special trade concession. The idea has been repeatedly expressed that this concession might take the form of special low customs tariff rates on our fish or fish products entering that country. Such special concessions would, of course, prove to be a very great value to our fishing industry, and therefore to the whole country. But what are the practical possibilities of our getting such a special concession from the United States? I used the word "special" advisedly. To be of any real value

¹The following section is taken from the recording of the proceedings.