

estimating the use of a prospective surplus, to do any more than indicate its opinion of the kind of thing in which surplus monies could be employed to produce the greatest benefits for all the people. We were not required to make that estimate and it is not actually of great pertinence to the main object of our deliberations. Our chief point is that the economy is far stronger than it was, and that this strength may have come about during a period of wartime prosperity, but is now established as a permanent feature of our industrial and financial situation. Our second point is that, on the basis of what we regard to be the reasonable volume and value of national production during the next three years, the budget can be balanced and a substantial sum be available for capital expenditure directed towards further strengthening of the economy. This is not wishful thinking but my free and frank opinion on the basis of my own knowledge of the facts and tendencies. Our opinions may be subject to challenge by the opinions of others who read into the facts different meanings, but that can only be determined by sensible discussion, and it certainly cannot be obtained by heated attacks that seem to have a political motive.

For myself I can only say that I signed the report because I believed it is as accurate a forecast of the position as it is possible to obtain. I stand by the belief expressed in the soundness of this country's economic future, and I am sure that if we all work together in harmony for the common good we shall be able to achieve a much higher standard of living for all our people in the future.

Mr. WattonAs you all know, I have not used up much time in this Convention in making speeches. Perhaps I have not used up enough. It is not my intention to use up much of that time now, but I feel that I must express my opinion regarding the Economic Report brought in by the Finance Committee....

I most sincerely accept this report as an honest and sincere presentation of our past and present economic condition, and the forecast for the foreseeable future of this country, to be a job well done and to which I subscribe. No person can say for certain just exactly what will be the conditions in this country say ten years hence. But by careful analysis of present conditions they can make a fair estimate of what conditions are likely to be

in the foreseeable future, and I think that Major Cashin and his committee have done just that....

Now we come to the very important question of a mercantile marine.... Should we or should we not have a mercantile marine? I think we should. We are a maritime nation in every sense of the word. We all agree we must export or die. To export our produce we must have ships. What are we doing now? If we want to export our produce, the first thing we have to do is to approach about half a dozen different countries for ships to take our produce to foreign markets. For these we have to export, to send out of this country thousands and tens of thousands of precious dollars to pay for the use of these ships and find employment for hundreds of foreign seamen. Therefore I think we should have our own ships to take our own produce to market and to bring back the things we need. And most important of all is the fact that we would be finding employment for hundreds of the best seamen in the world — Newfoundlanders. We shall always need ships whether we meet up with good times or bad....

....I contend that Gander airport should be operated at Newfoundland's profit over and above the employment it provides for some few hundred Newfoundlanders employed there today. I say this, if foreign companies — AOA, TWA, etc. — want to use our Newfoundland territories, let them pay for it! Is there any sane person who would enter into a business deal knowing he was going to lose out? That is just what the government of this country has done.... Regardless of whether the United Kingdom government is paying part of the deficit or not, it should not be so. I contend that if this had been handled properly in the beginning we should be making a profit, not a deficit. It is in my opinion a job of the first importance for our future government, whatever form. And we all know what it is going to be....

Now we come to our greatest industry, the fisheries, an industry with which I am closely connected. I was reared up on fish. I happen to live on the northeast coast. It has been suggested that here we have an industry doomed to failure. I cannot agree. Here we have an industry into which many cool, hard-headed businessmen are pouring tens of thousands of dollars for development and for the enlargement of existing developments. I give you an illustration — only