

with the compilation of the Economic Report and having giving it due perusal, it wins my unqualified praise. It was indeed a colossal undertaking.... All over it shows reference to previous reports that were approved in this House as authority for its statements. In essence then, it is a summing up of our work which was approved and thus in its collective stage must win our accord if we are to be consistent. Criticism of course can be worthwhile, but to be worthwhile it must be sound, practical and fair. It can be perverted, fanatical even, when dealing with a question so important, so all important as this present one. In some instances our standard of criticism has not been hard. And one tends to disregard these, for we are here for constructive purposes, not destructive. In the argument set forth there are some points which we seem to accept in our financial and economic set-up as being unavoidable and insurmountable. I feel it is unfortunate that these points should go unquestioned.... For instance, it is said in a manner foreboding ill, ours is an export economy, Newfoundland must export to live. I say, what is wrong about that? Let me repeat briefly these established facts about our natural resources and production. It has been proven to the satisfaction of the most critical, and it is thus no longer questioned, that our fish, ore, and paper industries are of the greatest potential value, are very substantial in quantity and are being soundly and progressively administered. Demand in the foreseeable future is excellent for these products. Our equipment, wherewith we produce, has been greatly improved and enlarged during the war period and is now at a high point of efficiency. From this we could almost deduce certain issues. We could say that our production will be up and that our sales will be up. Consequently we shall go on living, go on exporting, but dark and sinister forebodings cannot easily be dispersed from the minds of those who would cherish them. And so a new insurmountable obstacle is introduced and in the calm air of "I told you so", they sit back to await the realisation of their horrors. I must pause here, Mr. Chairman, to say that a nation or a country so disposed, so devoid of all initiative and aggressiveness can only sink, sink to the low level of a kept people. Great God, what an answer. I feel, Mr. Chairman, that it is another type of people whose interest we serve here

today, that they are not lowlife vermin-infested individuals some would lead us to believe, but Newfoundlanders in the true sense of the word. If I thought otherwise I would not be here. But to go on. This new obstacle in our path to prosperity and self-support, in high sounding phraseology, is termed the vulnerability of our economy due to currency fluctuations. Yes, we are subject to just that. I admit it. But I cannot accept it as being insurmountable. True, we have in the past never tried to correct this situation. We have never fought back, we have never tried to forewarn ourselves and thereby forearm ourselves against these fluctuating currencies — mainly, I say, because we were in no position to do so. I grant exception to this in one instance only, and I refer now to the effort of the present government in correcting to our advantage the situation which arose this year when Great Britain decided to suspend sterling conversion. Just so many years ago this would have been impossible and beyond our ability to correct. Today it appears in the light of ordinary business, nothing at all exceptional about it, just plain ordinary business — so ordinary, that similar methods could be adopted, and I believe to some extent were, by the business houses, they having the added advantage of being able to purchase English goods with sterling funds. I mention this but briefly in passing, because I feel that by next year Britain will have regained her position in the export trade. Latest reports show her production to be increasing favourably. Added to this, there is a greater awareness in Canada and other countries of the necessity, for their own preservation, to increase their purchases from her, and that well describes our position too.

One point relative to this subject warrants further comment and better understanding, and that is that when the government agreed to convert the sterling, no guarantee of the value the pound was made. At that time conversion was being negotiated on the basis of \$4.03 for each pound sterling. It now appears that dollars will be made available only after sterling credits have been set up. This means that should the pound be further depreciated and is pegged at this artificial price, and subject to the whims of world financiers, then the fisherman or the exporter would get proportionately less for his fish. It would appear that conversion of the estimated dollar