

This represents a per capita debt of nearly \$400. In 1933 Canada had a public debt of \$2,996,366,665 or \$243.09 per capita. The real burden of this debt can be understood when it is recalled that the average cash income of the majority of fishermen during the depression years was in the neighbourhood of \$100 a year. Interest payments absorbed about 50% of available revenues and at the time of the establishment of the Commission of Government direct relief absorbed another 15%.

In 1931 the Government tried to borrow \$8,000,000 and failed completely. There was a deficit of \$4,000,000. It was in these circumstances that an investigation by a Royal Commission was invited. Defaults were avoided by temporary measures such as large loans from the United Kingdom Government and Canadian banks and by economy measures.

Following the establishment of the Commission of Government the public debt was refunded and guaranteed by the United Kingdom Government. The reduced interest rates resulted in a saving of \$1,750,000.

#### Sources of Revenue

Newfoundland relies very heavily upon customs revenues and sales taxes for its revenues. Since the establishment of the Commission of Government the tariff has been revised along the lines of Empire preference. Certain countries such as the U.S.A., Sweden, China, enjoy the intermediate tariff. Since the Trade Agreement of 1938 with the United States certain United States products such as textiles and agricultural products have been accorded the preferential rate.