

count. The law provides that every single cent that comes to a government in a year must go into the Consolidated Revenue Fund, every single cent no matter what it is. It may be conscience money, it may be \$1.30 that someone cheated the government out of and he sends it in anonymously, and that \$1.30 by law has to go into the Consolidated Revenue Fund. If the government borrows money, what it borrows has to go into the CRF. If it gets interest on money that it loaned to somebody, and that somebody now pays back interest each year, that has to go into the CRF. Every cent that the government receives in any shape or form must by law go into the CRF. Now when you put it there, you can call it this, that or the other. Within the CRF you can set up various subsidiary funds, but the CRF is the government's money. That is what it takes in. Not one cent can be paid out of the CRF except on the authority of Parliament. Not one cent can be paid out of it except what Parliament orders. In a country like Britain you have two men who are appointed by Parliament itself, the Comptroller of the Treasury and the Auditor General. The Comptroller is there to see that every cent goes into the CRF, and that not one cent is paid out without the consent of Parliament. The Auditor General audits the accounts and sees that they are audited in the various funds. Here in Newfoundland the two jobs are done by the one man.

So what kind of thinking is it, what kind of argument is it, to quarrel about whether or not the interest payments that the government receives from the Housing Corporation, or anyone else that the government has loaned money to ... should not be counted as revenue? Every cent the government receives is revenue. It may not be revenue received by taxation, but every cent the government receives is revenue. So please, no matter what private organisation of business or finance may do, no matter what is their system of accounting, no matter what their system may be of balance sheets, it has nothing to do with public accounting.

Now if Mr. Hickman, or any other gentleman in this Convention, is disposed to doubt what I am saying there is a simple way to solve it. Go down to the public library and take up any of the 50 books that are there on public finance; not private, or corporation, or banking finance, but public finance. If you don't want to spend that

much time, as I have done, reading dozens of books on public finance ... go down to the Auditor General, or the Finance Commissioner, or anyone who has any knowledge, practical or theoretical, and you will find out if what I say is true or fooling. So I say this: the Housing Corporation, or other housing outfits who have had money loaned to them in the past and who now pay back interest and principal for many years to come, that money is income and revenue for the Government of Newfoundland, no doubt about it. Do you suppose that with the best Auditor General that we have ever had in our lives, do you suppose that with a Commissioner for Finance who is a practical financial man, that when they show revenue from the Housing Corporation as revenue, that they don't know what they are doing? Of course they know what they are doing. They are following orthodox and established public finance practices.

Now similarly, the other point that Mr. Hickman made was this: the Newfoundland government agreed a year or so ago to buy back from the Government of Canada whatever they own out there in Gander — equipment of all kinds. They got for \$1 million what it cost the Canadian government \$25 million to put there. They agreed to pay that in three annual installments of \$333,000. The Government of Canada says they will pay that back if we become a province, so in two years that means \$666,000 which will come in to the Government of Newfoundland in cash. On top of that the Newfoundland government placed an order in Scotland to build three boats, one of them is the *Cabot Strait* on duty now, and the other two are still being built and will be done very soon. The Canadian government says that if we become a province they will pay back the cash we paid out for these two boats. It is a couple of million dollars, or more.... That is revenue of the government. Now let us say that we are the cabinet. We say, "All right gentlemen, we just received a cheque from the Government of Canada for \$2 million, what will we do with it?" Mr. Hollett and Mr. Hickman give their ideas. To begin with we have no choice, it has to go into the CRF, but now what will we do with it? Will we spend it all the first year, or in two years, or eight years? According to my plan we divide it by eight, and spend \$255,000 a year. Now what is wrong with that? We are the cabinet, and we