

demand for oils and fats, will help considerably to stabilise prices. But we must not forget, Mr. Chairman, that we are absolutely impotent and powerless to say what we are going to get for the fish and other commodities which we export, particularly to countries which have been devastated by war and whose populations are living a little bit above the verge of starvation.

We also know of the inflationary processes which are at work, which have been controlled to a certain extent by rationing and by rigid government control. These forces of inflation are forces over which we have very little control; and we find that there is a tendency for these things to encroach upon our economy. Not only are these controls being exercised over foodstuffs, but also over foreign exchange, and that has a tendency to stagnate trade. When the time comes when goods will flow freely, then we know trade will prosper. Progress is limited by how much debt load the people can carry. I am not unmindful of the fact that when Newfoundland lost its credit, it lost its government. Governments depend upon money to finance them and governments have to extract certain amounts from the people in order to finance not only their ordinary expenditures, but also to provide as best they can for capital expenditures. When we consider the revenues and expenditures of the governments of the past, when we see the total revenue on the one side, I would like to see the total expenditure on the other side. How can I draw a fair picture, if I see a total on one side and do not see a total on the other side? That is why it is rather difficult for a layman to understand the intricacies of government finance.... That is one thing I would like to ask Major Cashin. Having given us the total revenue, could he give us the total expenditure?

**Mr. Cashin** In recent years the budget speeches included capital expenditure as well as ordinary expenditure. It is difficult to segregate them. It would have taken considerable time if we had. In the Finance Report we did our best to separate the capital expenditure from the ordinary expenditure. In the Economic Report we have attempted to point out that we consider \$25 million to be the ordinary expenditure, to pay the ordinary expenses of the country; anything over and above that would be capital expenditure. Is that what you want to know?

**Mr. Ashbourne** I thank the Major for that. I see

here in the Finance Report that the total revenues from 1897-1947 were \$496 million while expenditures for the same years were approximately \$500 million. What are the total expenditures?

**Mr. Cashin** I cannot tell you offhand. I will check up.... Since Commission of Government came they have included in their total expenditures all capital expenditures as well as ordinary expenditures. For the period of the last 12 or 13 years, particularly during the last five or six years, they spent a considerable amount in addition to the ordinary administration of government. They have spent, so far as we could tell from the accounts, approximately \$20 million, probably more, on capital or construction or special expenditures. You will find it in the estimates for each year. You will find estimates for expenditures have always been exceeded, as well as estimates of revenue. In 1946-47 they budgeted for \$30 million in revenues, and the revenues went up to \$34-37 million. They also budgeted for expenditures of \$34 million. When the accounts were wound up, we find the expenditures were \$37 million. So while the revenues have increased, the expenditures have increased proportionately each year.

**Mr. Jackman** Is it fair that the chairman of the Finance Committee has to give an accurate forecast for years to come?

**Mr. Chairman** That is up to the chairman of the Committee. If you have a point of order, state it.

**Mr. Jackman** My point of order is, no man here has a crystal ball.

**Mr. Chairman** That is an expression of opinion, not a point of order. I must ask you to resume your seat.

**Mr. Ashbourne** I am speaking about the 50 years past, not the future. I am glad we can look forward with a certain amount of assurance to our exports keeping up in value. We realise that as far as the fisheries are concerned, the marketing end is being looked after far differently from what happened after World War I, when cut-throat competition and poor marketing resulted in great loss to this country. When the exports of a country drop, we know very well that a government is hard put to it sometimes to augment the money which comes in, by having to find loans and make capital expenditures and that, to my mind, has been the cause of a big increase in our national debt.... I realise that since 1934 we have