

writing because the question was not put in writing. I will admit frankly that when we submitted a long list of questions which are in the Black Book ... and which the Canadian government answered in writing, when we did that, it would have been a good thing, if we had thought of it, to ask them the question in writing; they would have replied in writing and Major Cashin would have been saved the bother of getting it in writing. The High Commissioner has sent the question on to the government in Ottawa by cable, and if they reply by cable we ought to have the reply soon; and unless the Government of Canada has discovered something since talking to us, I think you will find the answer will be as I told you, namely that the government Savings Bank will not be affected, it will go right on under confederation the same as it is now.

Mr. Cashin It is all right for Mr. Smallwood to say that, but these meetings in Ottawa — there was nothing I could find ... covering the Newfoundland Savings Bank, which has \$20 million belonging to the people of this country, averaging today 2.7%. In Canada there is no such thing as a government Savings Bank.

Mr. Smallwood Has not any of the provinces got one?

Mr. Cashin No. They are all chartered banks. They have to have a charter. \$20 million is not chicken-feed it may be to Mr. St. Laurent — they took very good care to state what would happen to our surplus but they said nothing about the Savings Bank. It looks fishy to me. And if they do not answer, I am going to put my own interpretation on it.

Mr. Chairman Your concern is that there is not an official declaration, either in permanent form or otherwise by the Canadian government as to the future status and operation of the Newfoundland Savings Bank in the event of this country's deciding to federate with Canada?

Mr. Cashin Yes.

Mr. Hollett It looks to me that they have told us what is going to happen. They distinctly tell us in the terms that the surplus will be divided as to one-third which has to be placed on security in Canada.

Mr. Smallwood If we wish to put it on.

Mr. Hollett This would indicate that the rest of the monies in the Savings Bank will be transferred to the Bank of Canada. Or does it not?

Mr. Cashin I am not Minister of Finance — although I was promised to be Minister of Finance of Canada. I might enlighten the House further with regard to this matter. I had conflict before in connection with this, and I may say that I came out on top. Under the Savings Bank Act of 1937 — if my memory serves me right — the profits that would accrue were to be placed in a special fund so as to build it up until profits amounted to 25% of the total deposits in the bank as further security against any loss depositors might run up against. At that time also in that act, provision was made whereby the profits would be handed over to the Crown Agents in London for administration. That act of 1937 was never carried out. Profits were never sent to the Crown Agents because two and half years afterwards they amended that act (1939) wiping out that clause. It was still laid down that profits were to be set aside, but those profits, as a matter of fact, are not properly set aside yet; they are just shown as assets of the bank. No fund has been created. If tomorrow they should get a run on the bank (God forbid!), and they had to sell some of these bonds at a discount, the profit might be wiped out. I want to assure the Convention and the country, because I know steps have been taken in high circles in this country condemning me for bringing this matter up. I consider it my job as a member of this Convention to bring it up. I want to see the thing straightened out and unless and until it is straightened out, I am not going to be satisfied. We cannot take Mr. Smallwood's word or the word of any member of that delegation regarding the Newfoundland Savings Bank. If it comes officially from the Canadian government, all right. As I see it, it will not come from the Canadian government; unless they are going to put a special provincial bank here, and they have none in any other part of Canada.... They have a provincial bank in Montreal, but it does not do regular chartered business, it is not anything like the one we have here — it is privately owned, not government owned. There is no government savings bank in Canada — if there is, I am from Missouri.

With regard to the other matter, I gathered from you that will be announced within the next day or two?

Mr. Chairman I had a two hour conversation with the Attorney General last night. We were