

November 5, 1947

Finance Committee: Economic Report¹
Committee of the Whole

Mr. Cashin Mr. Chairman, before we proceed this afternoon there are a few remarks I want to make. One is that about 12 months ago Mr. K. M. Brown, a delegate to this Convention, was stricken here in the discharge of his duty. Yesterday I received the following message from Mr. Brown, which I propose to read:

Mr. P.J. Cashin, St. John's.

I eagerly awaited your report and sat up until midnight and listened to every word. It was one of the finest ever delivered in that famous chamber. Congratulations. We must have responsible government and all the freedom that goes with it. You are fighting hard, keep it up. Warmest regards. K.M. Brown.

To which I sent the following reply:

On behalf of the Finance Committee and myself wish to thank you for your kind remarks regarding Economic Report. I am sure that you will continue the fight for freedom until victory won. All delegates hope for early recovery your health and that you will be with us once again. Regards. P.J. Cashin.

Mr. Hollett Mr. Chairman, I rise to make a few remarks with regard to this long awaited Report of the Finance Committee on the economic side. First and foremost I would like at this moment to offer to that Committee and to its chairman, Major Cashin, my heartiest congratulations for the manner in which this report has been presented to us, and I feel that we owe them a debt of gratitude for the promptness with which they brought this report before us at such short notice. I am quite sure that we all agree, as we read through this, that these men have done an excellent job.... Each and every one of these men who has signed this report is in my opinion definitely an honest man.

Mr. Chairman Let there be no question about that, Mr. Hollett.

Mr. Hollett Referring to a remark which was made in yesterday's session, it was definitely said here that this report was not an honest report. What am I to infer from that statement? Can I

infer any other than this, that the men who signed that report are not honest? If they are not honest, then they are dishonest. I cannot agree with the remark which was made by a certain speaker in yesterday's session. Now I would like to ask Major Cashin one or two questions before I proceed.

On page 1, Major Cashin, you referred to the Financial Report, and you say that the total revenue from 1897 to Sept. 30, 1947 amounted to, in round figures, \$496 million, whilst the expenditures come to approximately \$500 million. I would like to ask you, were these figures properly audited, properly copied from the records, or were they guesswork?

Mr. Cashin They were properly copied from the records — Auditor Generals' reports and the budgets.

Mr. Hollett Thank you. If you will turn over to page 2, with regard to the reduction in the debt, I see you have the net debt as \$35 million. How did you arrive at that?

Mr. Cashin Our gross debt, after deduction of sinking fund, etc., is approximately \$70 million in round figures. We have \$35 million in cash, \$9.25 million of which is on loan to Great Britain free of interest, and the balance to the credit of the country here in Newfoundland, and some small amounts to the credit of Newfoundland with the Crown Agents in London, in all \$35 million, and if we deduct that \$35 million it leaves us a net debt of \$35 million.

Mr. Hollett That would be sterling?

Mr. Cashin Yes, converted into dollar exchange.

Mr. Hollett There is another debt.

Mr. Cashin Yes, there's \$6-7 million in dollar debt.

Mr. Hollett Has that been taken care of?

Mr. Cashin Yes, that's included.

Mr. Hollett Let us turn to page 3, a matter relative to insurance and savings. You will see there at the bottom of Page 2, "Therefore today we can definitely state that Newfoundland's capital account shows a surplus in cash of \$35 million; and in addition the people of the country

¹Volume II:425.