

they added our capital expenditure into the ordinary expenditure. To prove my point that those figures are correct, we'll pick the total expenditures and total revenues for the 50 years approximately down in this paper here. And I'd like the members of this house to notice. The total expenditures and total revenues — revenue \$464,531,403, total expenditures \$469,...so, so. That shows a deficit there, doesn't it, of \$5 million. One would imagine therefore that our public debt today was only \$5 million, whereas it's around \$75 million. Consequently it goes to show that these other expenditures, which prior to the advent of Commission government were not included in ordinary expenditures, were included as capital account. Now, where did that other \$70 million go? Here's where it went. It didn't go to pay the ordinary running expenses of the country at all. We built a railway that has cost Newfoundland over \$45 million up to the present time. Since we took it over in 1923 it has cost us roughly \$30 million. But prior to that Newfoundland paid \$15,000 a mile, if my memory serves me right. We built all our public buildings, all our lighthouses, a lot of schools around the country. We paid \$45 million in the first war including interest up to the present time. And this one we spent \$10-15 million. Now what does that mean? That means for 50 years that we operated this country practically on ordinary expenditure for nothing, and that those assets which we have to our credit — forget the war — today represent \$36 million. I'll put it that way because, as I pointed out yesterday, if we took the \$35-36 million in cash we have at the present time, and devoted it towards the reduction of our whole debt, our net debt would be between about \$36 million in round figures. Now that's entirely different. The Amulree report, yes it shows it, but it didn't show what was spent on capital and what was spent on ordinary. They piled it all on to ordinary expenditure. And I knew that's how Mr. Smallwood was evidently misled.

Mr. Smallwood I wasn't misled.

Mr. Cashin You knew it but you were trying to put it over...

Mr. Smallwood Oh no...

Mr. Cashin Oh yes, yes. You were trying to put it across that the ordinary operating expenses of the country were more than they actually were.

Mr. Smallwood Oh no.

Mr. Cashin Oh yes, by some millions of dollars. Whereas in actuality we've taken the year, what year? Any year you wish to pick out in the days of responsible government.

Mr. Smallwood Take 30-31.

Mr. Cashin We'll take 30-31.

Mr. Smallwood \$12,898,000.

Mr. Cashin Yes, we spent much more money.

Mr. Smallwood Surely.

Mr. Cashin Certainly we did. But in ordinary operating of the country that's what we spent, \$12,898,000. Now how did we spend the other money? It was on capital account. We re-railed part of the railway. We charged it up to capital account. We built roads charged up to capital account.... If you get the Auditor General's report you'll find that he outlines what they actually spent on capital account. But this here shows just ordinary expenses, which is entirely different than capital expenditures. And when Mr. Smallwood points out we exported \$45 million worth of fish or whatever it might be, and that we spent that year — they took out of the country probably \$25 million and he says that's 50% of what we exported that we spent. He must remember ordinary account and what we spent on capital account. Take this year, we spent \$13 million over this past year. How did we spend it? We don't buy ships every year. We don't have to replace a new ship that costs a million dollars again next year. That's a capital expenditure, and should be written off accordingly each year, in the course of 20 years. Now that's entirely different from the way people have been trying to convey the expense. And Amulree was the worse offender.

Mr. Smallwood Now we have Major Cashin's explanation. But I would ask him this question. Here is presented to the Convention the Report of the Finance Committee. And on page 112 it says, "We give herewith the annual revenues and expenditures of the country from the fiscal year 1898 to the fiscal year 1946, both years inclusive." Then it gives it, revenue and expenditure. Now what I want to ask Major Cashin is this, whatever you call it, whether it's ordinary, capital, or whether it's reconstruction expenditure, whatever heading it falls under, it's all expenditure — I doubt if Major Cashin has in this table here any figures, I know they're there throughout the report, sure, year by year, but in this table I