

therefore shows a surplus of \$2,771,868. These two amounts now added together make a total surplus of cash, as at October 31, of \$31,560,868.

I said a moment ago that the budget speech of Mr. James is anything but a complete picture of the affairs of Newfoundland. Why did I make that statement? For the simple reason that it is the truth. From information received by the Finance Committee, it will be observed that a sum of \$3.5 million was loaned to the St. John's Housing Corporation and other housing associations, and which is consequently an asset. Today the St. John's Housing Corporation and other housing associations owe the treasury over \$4 million; \$115,000 of this amount was a free grant; \$625,000 is a recoverable advance but bears no annual interest charge, whilst over \$3 million is bearing interest at an annual rate of 3.5% and debentures have been issued or are being issued by the Housing Corporation to cover this amount. In all, approximately \$4 million. Mr. Chairman, I consider this particular \$4 million asset just as good as our interest-free loans to Britain. I will go further and say it is better. We have security in this instance for our money and we unfortunately cannot say that with respect to our interest-free loans to Britain. In addition to these amounts, the Savings Bank shows an accumulated profit, together with its reserve, of not less than \$800,000, and I refer delegates to the Auditor General's Report of 1946, wherein it states that \$719,000 is to the credit of that surplus. It is reasonable to expect that as at March 31, 1947 this had increased to \$800,000. Then we must take into account the amounts owed the Department of Public Health and Welfare by the United Kingdom government and also the amount owed by the British government to the Department of Public Utilities on account of the operations of the Gander airport, as well as other recoverable loans due the government for advances in connection with the development of the fisheries, together with the amount that would lie

to the credit of the Board of Liquor Control in the bank, all four of which will exceed \$1 million. Now what is the result of this recapitulation? Is it as follows:\*

This amount is exclusive of \$3,232,000 which lies to our credit with the Crown Agents in London for the purpose of redeeming two loans coming due in 1950 and 1952. It is bearing interest at present at 2 or 2.5%.

Again I must refer to Mr. James' budget speech of May 7 last. He states that after taking an amount of \$3,232,000 from our interest-free loans to Britain for the purpose of redeeming two loans coming due in 1950 and 1952, that there remains to the credit of our country in this particular respect, \$7,868,000. I now draw your attention to an answer to a question by the Finance Committee on January 11 last as to how this particular loan stood. The reply given by the Secretary for Finance on January 15 last states: the total amount of the advances made by way of interest-free loans which were outstanding at December 31, 1946, was \$9,068,000 (London, firm figure) and \$242,000 (St. John's, approximation only) a total of \$9,310,000. If we turn to the Finance Report we find that the total amount of interest-free loans made to Britain amounted to \$12,300,000. We have told you that \$3,232,000 were taken from this amount and placed in a special account with the Crown Agents in London for the purpose of redeeming two loans coming due in 1950 and 1952. This should show a balance to our credit on account of these loans of \$9,068,000. The difference therefore between the two amounts is \$1.8 million, and this amount should be added to our surplus cash, as it represents the purchase of war savings certificates by our people and these certificates are shown as part of our national debt. Therefore the total cash surpluses, if we take this particular amount into account, is over \$39 million. This amount has not been considered as a cash surplus by the Department of Finance even though they

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Cash surplus as per Budget 1947	\$28,789,000
Surplus from April 1, 1947, to October 31, 1947	2,771,868
Housing Corporation debentures (approx.)	4,000,000
Nfld. Savings Bank	800,000
Owed miscellaneous departments	1,000,000
Total liquid assets as at October 31, 1947	\$37,360,868