

and I am going to do the best I can to give him that information. In 1931 I happened to be Minister of Finance in Newfoundland, unfortunately. When our loans were turned down, and when we cut everything to the bone, as I described it here the other day, at the end of October, 1931, the banks came to the government, asking us to go off the gold standard. At that time our people had some \$24-25 million in gold, in money in the banks, which they could take out on demand in gold. We refused for two months. Finally we had to go off. As an Executive Council member at that time you will understand that I am not in a position to reveal anything of what happened. Mr. Bradley was a member at the same time. But here is what did happen: when we eventually went off the gold standard, gold was \$20.67 an ounce. It did not rise to a very great extent during the next year, but when the last President Roosevelt took over the administration of the affairs of the United States in March 1933 ... he rose the price of gold in order that the banks would be able to issue more paper, and give more employment, and gold went up to \$35 an ounce. That meant that if we had not gone off the gold standard, and we had compelled the Canadian banks to bring down that \$25 million in gold to pay our depositors, in 1930 or somewhere in that vicinity, their money would be worth 80% more than it was before. Now who made that money? Some people think that the Canadian chartered banks here made it. I hold that they did not. There was a central bank established in Canada which controlled currency, and they took over all the gold and they, if anyone, made the money, not the chartered banks; and I have no brief for the chartered banks, because I hate to go into one of them if I owe them a note or something, but I give them credit they did not make all that money. I think they got a commission, so to speak.... They made the profit, but Newfoundland lost that profit. Whoever's fault it is, it is done and we can't undo it.... That is the story of the bank people. I have not given it to you in full, Mr. Reddy, because I am not in a position to do so.

Mr. Smallwood Mr. Chairman, would Major Cashin explain how, when the government brought in the act which put us off the gold standard, it was not a mandatory act but merely a permissive one, that would have enabled the government to put us back on the gold standard

at any moment.

Mr. Cashin That's what happened. I went out of the finance department shortly after that. We went off the gold standard New Year's Eve, about 12.30. It was really New Year's Day. We were technically defaulting on December 31, and before they would give us any money to pay our interest, they put the gun to our head and told us we had to go off the gold standard....

Mr. Chairman I think in fairness to yourself, Major Cashin, you did point out the other day that the banks of Canada had that money, and if you insisted on their bringing down that \$25 million worth of gold to depositors they would have gone broke.

Mr. Cashin The commercial houses owed the banks a lot of money, and they did not know what was going to happen — anything could happen.

I think you will admit, Mr. Chairman, that our Committee had to give its findings to this Convention under anything but favourable conditions. This report, instead of being treated in an impartial manner as it should have been, and regarded as the best efforts of the Committee ... was subjected to vicious attack from the moment it was laid on the table. From every conceivable angle its critics attacked it, making it a political football. They went through all its 45 pages, looking for an uncrossed "t", or an undotted "i", to furnish them with ammunition for their denouncements. Mr. Chairman, when you opened the debate you said all holds were fair, and the critics came out and tore the report to bits...

Mr. Chairman If you don't mind Mr. Cashin, I hope you don't...

Mr. Cashin I don't mind a bit. Those political windjammers...

Mr. Chairman I made the order because I knew that no holds were going to be barred.

Mr. Cashin Those political windjammers hit below the belt, because they could not hit any higher. They charged it with being a dishonest report, but that has been cast back in their teeth. Their efforts have been in vain, and now, after a 12 day barrage, when these critics have slung all their mud and exhausted their bag of tricks, our report has come through intact on all its fundamental points. It came through for the same reason that truth always comes through. It came through because it was based on unassailable and