

would surely be in this business before now. I cannot agree that the government should go into the shipping business themselves, as from what I have seen our government has never been successful in handling business affairs showing profit. Nevertheless the government could encourage industry by loaning money to some who had capital to put into the business. I have no reason to suppose it would be a paying venture.

Page 11. Might I ask Major Cashin where is his authority for saying that the world market is such that there is a possibility of a rise in price of newsprint from \$90 to \$100 per ton? I heartily agree with what has been said about the export of raw pulpwood. Immediate steps should be taken to put a stop to such a practice.

Page 24. We are told the products of the soil in this country should approach an estimated value of \$20 million within the next three or four years. I hope sincerely so. But we must consider this as being 50% over the Agricultural Committee's report for 1946.

Page 25:

Records have proven that in ordinary normal times prices for our products of the sea have been based on the unwritten law of supply and demand. And so it was that in the year 1915 when the first World War was raging, when the German submarines were making efforts to starve the European countries, that the prices of our salt codfish soared to unprecedented figures. Never in our history have prices for our principal product been so high. And then once hostilities ceased and the world generally started its journey on the road back to normal, prices obtained for our primary products began to drop sharply, resulting in many cases in the bringing about of financial disaster to our fishing industry. And so we find it once again when normal conditions had been restored to the world generally in 1923 that the prices for our salt codfish product became more stabilised.

That is to say they dropped.

I am afraid I cannot agree with the assertions

made on page 43: "... our present revenues cannot be something dependent on war boom," and, "... a great proportion of our present revenues is coming to us because of the growth of our main industries. No one can regard our present revenues as a result of war boom." I wonder if the Committee wants us to believe that if there had been no war from 1939-45 we would have had revenues as high as the present? Do they seriously believe that if there had been no war, paper would be worth \$90 per ton; fish \$10 or \$11 per quintal; iron, copper and zinc at as high prices? Would the herring industry have attained such high proportions as it did? Do not the members of the Committee and the people of this country believe that as soon as these ravaged countries who manufacture paper and pulp get into full production again, it will have a tendency to lower prices on these commodities? They know the fishing industry in all its aspects will be affected. These are facts we have to face. In conclusion, with the exception of the observations I have made, I am prepared to accept the report....

Mr. Cashin I take it, as chairman of the Committee, it is my privilege to reply to Mr. MacDonald. I am glad the matter has been brought up. I take it everyone here has a copy of the Finance Report. Though we are dealing with the Economic Report, one relates to the other. I would ask you to turn to page 104.

From information received from the Department of Finance we find that as at December 31, 1946, the actual cash to the credit of Newfoundland was distributed as follows:*

Now, this man in the editorial highchair...

Mr. Chairman Major Cashin, I cannot allow you to say that.

Mr. Cashin He is my most cherished friend.... I wonder if the editor of the *Telegram* is aware of the fact that during that period we borrowed \$8 million in cash. What happened to it? Was it not put into the bank? Did it not go into the consolidated fund? Add that on and you have \$35 million. But they are trying to put out the idea that myself and the Finance Committee faked these figures.

*	On deposit Bank of Montreal, St. John's	\$22,031,500
	With Crown Agents in London, £804,000	3,232,080
	Interest-free loans to Britain	<u>9,310,000</u>
		<u>\$34,573,580</u>