

these matters.

**Mr. Chairman** I was about to say that you either appeal against my ruling or subscribe to it, and I don't think that you should say any more at this time because the order paper requires us to resolve the House into a committee of the whole at this time. If you want to again address yourself on the Financial Report it will be your right to do so.

**Mr. Smallwood** I intended to do that when the House goes into committee of the whole. At this moment I am concerned only with exercising my rights as a member of this Convention to put myself correctly before the House.

**Mr. Chairman** I must allow you that right.

**Mr. Smallwood** That is what I am trying to do, and I will do it in these words: at no time have I doubted the *bona fides*, the integrity and the honesty of the Finance Committee in copying these figures into the report. Now I want further by way of explanation to say this, that the quarrel I have is not at all with the Finance Committee, but with the source from which they got their figures and in committee of the whole I propose to show why I quarrel with the source.

**Mr. Chairman** That is very fair and very reasonable. I assure you that I reserve to you every right to make any further comments which you desire in committee of the whole.

### Report of the Finance Committee:<sup>1</sup> Committee of the Whole

**Mr. Cashin** My understanding is that in dealing with all these reports, it is a matter of questions and answers.... All this fuss would be overcome if questions were put properly to me; I want to tell every member, as far as I am capable, any questions they want to put to me about expenditures, or revenues or capital expenditures, as far as I know, I shall be only too delighted to enlighten them.

**Mr. Smallwood** I do not know that I have any questions to put to the chairman of the Finance Committee but since this Convention began, ... it has been the practice when the House goes into committee of the whole, to do two things in connection with reports which were before us: to direct questions to the chairman of the committee whose report was being debated, and to have members make their interpretations and deductions from the facts stated. I do not want to direct any questions at the chairman of the committee but I do wish to make one or two interpretations on the facts that are contained in that report.... Sir, the Finance Committee was perfectly right in beginning their survey of the country's finances, not at 1934 but rather back early in the century, because it is quite impossible to understand the story of Newfoundland since 1934 unless we understand her story for some years before 1934.... I propose to take the period 1920 down to the present time, because that period is within the conscious recollection of most people in this Convention this afternoon.

**Mr. Chairman** In fairness to you and to myself,

your position is that the prescribed period is incapable of being properly understood unless and until you take the period anterior to that period which is necessary to the understanding of this prescribed period?

**Mr. Smallwood** That is exactly the position I take. We have been doing that in all the reports.... The practice of the government in its accounting since 1934 ... has been this: on the one side, under the heading of "Revenue" they place everything they received, and on the other side under the heading of "Expenditures" they place everything they spent. Whether public money is spent on ordinary account or current account, capital or reconstruction or special account, it is all expended.... There is no more point in the practice of showing the total expenditures as capital or ordinary than there is to call what was spent in October different from what was spent in November.... The table showing the expenditures of the government for that year should show every dollar and every cent they spent. Similarly, on the revenue side every dollar that the government receives goes into what is called the Consolidated Revenue Fund — abbreviated CRF.... So when a table is compiled showing what money the government has received in a year, every cent they received should be in that table, and every cent which they have spent. The Commission of Government has done exactly that since 1934.... Unfortunately, in taking the reports of the Auditor General from 1920 to 1934 that cannot be done, because it was the practice up to 1934

<sup>1</sup>Volume II:369.