

in our revenues for the last few years we had not been showing the monies that we received as grants-in-aid from the Colonial Development Fund; in other words that these revenues are not correct. I contend that loans of money or advances are not revenues, but they are covered because on the other side of the fence we showed the expenditures out of that money, but we take good care to point out that in the text. If we take into account the fact that over \$20 million has been spent on the capital or long account, which ordinarily should be deducted from our own expenditure, the final result for a period of half a century should show approximately \$15 million. That shows that we did not try to cook this thing.... Now if we took that \$20 million from \$469 million that leaves \$449 million, consequently our revenue should be \$469 million, which would leave us a surplus of \$15 million. Now let's go a little further. We are not like Saskatchewan at all, we are away ahead of them. Why? Up to September 30 1947, we collected in revenues \$499 million. That leaves us a deficit mind you, including these capital expenditures, a deficit of \$3.4 million-odd. Now today our national debt is approximately \$70 million. Against this we have \$35 million in cash. That means if we paid it off tomorrow we would have a debt of \$35 million. Now what have we got for that debt? To begin with we are lending money today free of interest, probably the only country in the world that is doing it, but what have we got for the \$35 million? Take that report brought back by the Ottawa delegation, which shows we have a railway which is valuable to someone. I don't think the Railway is worth \$72 million, but that's down in black and white. In addition we have all our public buildings today in the country, say \$10 million.

Mr. Smallwood Can you? I doubt it.

Mr. Cashin That statement is approximately correct.... Therefore our total assets are approximately, and I say approximately, \$107 million. Now if we deduct that \$35 million which we owe, we have a definite surplus left (on paper, mind you) of \$70 million in round figures. That is the position as far as the Government of Newfoundland is concerned today. Now if we take, on top of that, the other hundred-odd million dollars in the bank, and we add our life insurance, our securities and all else, I hold today that this

country is in an outstanding financial position — unequalled by any country in the world. True we have gloomy days coming before us. So has every other country. Why, the mother country that is supposed to be backing our note, so to say, what financial position is Great Britain in? What financial position is Canada in? Today in Canada they are having great difficulty in making some arrangement to offset the dollar trade with the United States of America.

When we say \$60 million, we have to say, "What have we got left on our shelves?" We have to take stock at the end of the year like any firm on Water Street. A businessman may not have any money in the bank; he sometimes has to pay profits tax and he has to go to the bank to borrow it. He has a big stock on hand. That stock represents his surplus. That is the position as I see it with Newfoundland. We were in financial difficulties, we have gone through hard times, but today no one will deny that this country is in as sound a financial position as any other country in the world.

Mr. Vardy Mr. Chairman, we have come to the report so long awaited with bated breath, for it is from our findings and our interpretation of what the Finance Committee has prepared that we base our conclusions for our final recommendations to the people of Newfoundland. In view of the very unsettled conditions as the result of a long and bloody conflict, we cannot hope to escape the inevitable share of a general world depression. In some respects we will suffer more than our proportionate share, and in others we will experience less...

Mr. Chairman That is where you start to prophesy and it is absolutely irrelevant and out of order. I would ask the members to confine their remarks to the Finance Report....

Mr. Vardy I have based my remarks solely on the result of the findings of the various committees, particularly the Financial Report. If I wander, I apologise. It must be generally admitted that for the past seven years Newfoundland has been on the favourable side of the balance sheet. This was more artificial than real in the sense that it was wartime prosperity brought about through our strategic position as the Gibraltar of the West Atlantic, and what might prove our doom and disaster in 1960 was our blessing in 1940, for just as sure as we reaped