

have on deposit in the various savings banks not less than \$80 million..."

Mr. Cashin That's right.

Mr. Hollett "Also our people carry life insurance ... with a cash value of at least \$30 million..."

Mr. Cashin Those figures regarding the total amount of insurance which was carried were also obtained from an official source....

Mr. Hollett Turn to page 7, in regard to the matter of conversion. "When a delegation from this Convention met representatives of the British government in London several months ago, we were advised by the Dominions Office that, beginning January 1, 1948, the conversion of our 3% guaranteed stock, which amounts to £17,790,000, or in dollar currency approximately \$72 million, which is at present bearing interest at 3%, would be made, and that new stock would be issued bearing interest at 2½%." I know that is correct. Did your Committee make any inquiries as to why that conversion will not be carried out?

Mr. Cashin Mr. Hollett will know that when Lord Addison made that statement he said that three months' notice had to be given, that is on October 1, but three or four days prior to that date an announcement was made here by the government that conditions would not permit this sterling debt to be converted at this time. In looking up the financial papers since that time, the London papers, and looking up the prices paid for bonds, I find that the Newfoundland 3% stock was selling on the London Stock Exchange at that time at 102 point something.

Mr. Hollett Did your Committee endeavour to find out why conditions would not permit?

Mr. Cashin No, we did not, I will be quite frank about that. It was done and that's all there is to it. We hold that it should have been done, and we feel it could have been done, but the point is this—I know why it was not done.... It was because it would mean an extra \$500,000 saving to the country, and it would mean an extra \$500,000 that Great Britain would not get, and which she is now anxious to get in dollar exchange. That's my personal opinion.

Mr. Hollett You did not enquire from any official source?

Mr. Cashin No, it was an official announcement.

Mr. Hollett Will you turn to page 10? You say there: "For purposes therefore of explanation we give herewith proposed expenditures under the various departmental headings...." Could you tell me on what you based these figures?

Mr. Cashin I can, Mr. Hollett. We have first of all Consolidated Fund service, that means the servicing of our public debt. That means today the totals are \$3,374,000, but the conversion on that sterling debt, and by the application of the interest-free loans we have given Great Britain, and by the application of the sinking fund, and, as I said the conversion of the balance of our sterling debt to 2½%, we would save approximately \$1 million. Now if we take \$1 million off \$3,374,000, which is the Consolidated Fund service, we find that it would amount to \$2,374,000, but for the purposes of more accuracy, and to create more discussion, I made it a round figure of \$2.5 million...

Mr. Hollett Now with regard to Finance...

Mr. Cashin I will explain them as you go along, Mr. Hollett. With regard to Finance, if you take the estimate of expenditure for the present fiscal year, 1947 - 48, there is an amount of \$1.2 million voted for the Railway, and there is a remark which says: "Provision is made there for a general subsidy of \$100,000, which is included in the \$1.2 million." That subsidy is paid annually anyhow, therefore the deficit is \$2 million. Now the General Manager of the Railway stated that once those capital expenditures were finished, the deficit on the Railway would not be more than \$750,000; and so we deducted this \$750,000 from the \$2 million, and it leaves us \$1.25 million paid in this respect.

Mr. Hollett Thank you, and Customs?

Mr. Cashin They are all present estimates except with the Education Department ... when there is an increased vote under this proposed plan of \$650,000 a year, which would be used no doubt for giving school teachers more money, or in a general way.

Mr. Hollett I have elicited from the chairman of the Committee with regard to these figures of \$500 million and \$496 million, that these are definite facts taken from the Financial Report which was presented and passed.... An insinuation was made here yesterday that these figures were poppycock, pure nonsense, tomfoolery. This is not the first time that the figures of the