

sibility. It has never been done; it can be done only with respect to figures that can be gotten. The original data upon which the final figure would be built are missing except for possibly last year and this year. They exist, but not in written form — in government accounts but

never as actual written data. I wish they had.

Mr. Chairman I take the liberty of deleting the word "House" and substituting the word "Convention" in this resolution.

[The motion carried unanimously, and the Convention adjourned]

September 24, 1946

Mr. Chairman Order of the day. Presentation of the reply of His Excellency the Governor to the address of loyalty and the address of thanks. I beg to inform you, gentlemen, that pursuant to your appointing, and on the request of the Governor, a delegation attended upon His Excellency, and presented to him the address of loyalty and the address of thanks for the speech with which he opened the Convention. The address of loyalty will be forwarded to His Majesty, and His Excellency was pleased to make the following reply to the address which was presented to him:

Mr. Chairman and Gentlemen of the National Convention:

I thank you for your address in reply to the speech with which the Convention was opened on Wednesday, Sept. 11, 1946.

Gordon Macdonald
Governor

Government House
St. John's, Nfld.
21 Sept. 1946

[The Convention resolved into a committee of the whole]

Mr. Chairman I have the pleasure to bring to you this afternoon the Honourable the Commissioner for Finance who has very kindly consented to address you today on the eve of his departure. Gentlemen, Mr. Wild.

Mr. Wild I am not going to address you formally; I hoped that I might have a chance of speaking on some of the points raised by members of the committee who would like further information on some of the general topics covered at our last meeting. I cannot give you figures as I am not the type who can carry masses of figures in his head, but I would be glad to give you any information in a very broad manner.

Mr. Chairman Has any member any question to direct to Mr. Wild?

Mr. Cashin The first question I would like to ask Mr. Wild is, does he think it is good business to borrow money when there is money in the

treasury? In 1942-43 the government borrowed \$1.5 million; from 1940-41 up to the end of 1945, \$3 million was invested in war savings certificates with interest at 3% per annum. \$8.5 million was borrowed altogether. We did not have to borrow that money. What was the idea of borrowing that money?

Mr. Wild I would like to point out that the surplus at the end of March, 1946, was \$28.5 million; since then we have set aside \$3 million for the redemption of two sterling loans, which leaves us a surplus of \$25 million. At the moment the revenue from April 1, 1946, is considerably in excess of expenditure; but that surplus at the moment is no indication that increases will be continuous. Revenue comes in more quickly from income tax in the first two months of the year. It is not a clear indication of the ultimate picture. For instance, we budgeted for a deficit this year on account of reconstruction expenditure. Major Cashin's question was mainly why did the government do a certain thing? I do not know that it is the intention of the committee that the reasons why should be investigated. There are certain answers that I could give, but on general principle, I would say that your main intention is to get the position as it was some years ago. If one is to give reasons for every action, I am afraid we shall not get very far. I make that as a matter of principle. Actually, there were very good grounds for the loans we raised during the war. The main reason was anti-inflation. It was not that we wanted money; we didn't. The question was what to do with it when we had it. If I had been able to dispose of the money, I would have gone out for bigger borrowing. We had the War Savings Committee ... most of the members were residents of St. John's, but there were also out-port members — we had a committee which used to give us advice before borrowing. It was largely for the purpose of encouraging thrift, and it had been done to a greater extent in other countries. What we did was the best thing. We borrowed in