

is the first item of expenditure that the government of the province would have to meet.

Then turn over to page 17, incidentally on page 16 you will see why this is not in my memorandum, these things are not federal. The federal government will pay the salaries of the Governor, and of the two judges of the Supreme Court, and the salaries of the magistrates of the District Court. All these would be paid by the Government of Canada, so that brings you to page 17, Department of Finance. You see what I have done there.... I ought to say, in connection with those items, that the Department of Finance would naturally be a smaller department than it is today, because so many things that department has to do now would then be done by the Government of Canada.... The same thing applies to the Comptroller and the Auditor General.

Then we pass on to the next page. "Travelling and miscellaneous expenses — \$4,700. General contingencies. Rental, statistical machines — \$4,500." The explanation of that, of course, is that the machines are costing more than that to rent, but the same machines would be used for both federal and provincial purposes. There would be no need of putting in additional machines, and that would cut down the cost to the province. "Printing and Publishing...\$287,698 a year."

**Mr. Hollett** Mr. Chairman, I wonder would Mr. Smallwood mind if I asked him a question on that point?

**Mr. Smallwood** I would appreciate, Mr. Chairman, if Mr. Hollett, and other gentlemen in the Convention, would permit me to run through the entire lot. The members have just had it before them, and the longer they have it before them the better they will be able to follow it, and to put questions. For that reason, if the House would permit me to read through the entire document and members make notes as they go, I think we would get further ahead.

**Mr. Chairman** Would you mind, Mr. Hollett, just making a note at this time?

**Mr. Hollett** In that figure of \$287,000, under this heading of the Department of Finance, there is an amount of \$186,698. I see what Mr. Smallwood has done. In the Black Books, he has taken \$101,000 from provincial expenditure and passed over to Dominion expenditure, now he has passed it over to provincial expenditure

again. That was the question I wanted to ask you. Why?

**Mr. Smallwood** The reason is that the other table in the Black Book is one we drew up before we went to Ottawa at all, and before we knew what we know now. Knowing what we knew then, we thought that civil servants that the Canadian government would take over, would have their pensions paid by the Canadian government, whereas the actual position is that civil servants on pension now, or up to the date of union, will continue to have their pensions paid by Newfoundland; but the Government of Canada will pay civil service pensions to its own employees in Newfoundland when they come to be pensioned, for the time that they will have been working for the Government of Canada, but for the period preceding their becoming federal employees the provincial government is to pay their pensions.... I will pass on to the Department of Home Affairs. Then the Department of Education. I have taken the entire vote of that department, and if you turn to page 39 you will see the grand total vote this year of the Department of Education, which is \$3,622,300. That includes an amount of \$500 in reconstruction for the...

**Mr. Miller** \$500,000.

**Mr. Smallwood** I beg your pardon, isn't that what I said? \$500,000 for the erection of new schools, and reconditioning of old ones, is included in that \$3,622,000. I have eliminated the half a million dollars from the vote, although it is not to be supposed that eliminating it in my table that there is any idea that the half a million dollars would not be spent; it would come under another heading...

**Mr. Hollett** Excuse me, under what other heading would that \$500,000 come?

**Mr. Smallwood** Under any heading that the government of the future cares to put it under. That is entirely a matter of government policy.

**Mr. Hollett** But where will they get it?

**Mr. Smallwood** We will deal with that when we come to revenue. We are dealing only with what the Government of Newfoundland, as a province, would spend. When we come to the question of where and how the government would get the money to meet these expenditures, then we will deal with that in whatever detail you like.

**Mr. Hollett** Excuse me, but it would be an expenditure wouldn't it?