

256 customs officers to do the work after confederation.

Mr. Chairman Yes, your statement was that there were 256 employees presently employed down there, and you went on to state your reasons as to why some of these employees should lose their jobs.

Mr. Smallwood My reply was just as clearly that none of them would lose their jobs. I hope that no one else will say that in the Customs or any department ... any of these employees would lose their jobs; so let us hear no more of that.

War graves. It is perfectly true that in the Grey Book or the Black Book there is no specific statement to the effect that the Government of Canada would maintain war graves in Europe. Does anyone doubt that the Government of Canada does look after war graves? It is not looked after by the province, but by the federal government. It comes under Veterans' Affairs, which is a federal job.

Mr. Hollett says I have dropped \$500,000, but I would ask Mr. Hollett to turn to page 94 of the estimates of the Government of Newfoundland, the third item down, D 8 and F 4, and he will find that a total amount of \$514,600 is a reconstruction expenditure by the government, part of their three year reconstruction program; not permanent but a program to spend \$500,000 on the building of new schools and reconditioning old ones, and the building of regional libraries. So as it is only a reconstruction program I have omitted it as an ordinary expenditure, the idea being that it should be under capital expenditure — reconstruction expenditure...

Mr. Hollett Excuse me, have you got a capital account in that budget?

Mr. Smallwood No, it is an ordinary account budget, the ordinary expenditure for eight years, year by year. Anything else would have to be special. Now Mr. Hollett says that we have so many magistrates, and that I have cut seven of them down. That is true, because seven of them would not cease to be magistrates, but they would cease to be provincial and become federal. They would become county court judges, whose salaries are paid by the federal government. So, as the federal government would pay the salaries of seven magistrates, that would be seven magistrates that the provincial government would not have to pay for. The same thing exactly

applies to the travelling. I have reduced the amount for travelling by the seven magistrates because the federal magistrates are not only paid their salaries, but their travelling expenses as well. Then Mr. Hollett notices that I have cut down the travelling expenses of the Supreme Court. I have, for a very good reason — that the salaries of the judges of the Supreme Court are paid by the Government of Canada, and so are their travelling expenses. It is a federal charge, a federal expense.

Mr. Hollett Why the \$5,600, then?

Mr. Smallwood Speaking from memory, without looking it up for details, it is an amount of \$5,600 lopped off of how much?

Mr. Chairman \$11,000.

Mr. Smallwood Possibly I should have lopped a lot more off, and in leaving what I have left as a provincial government expenditure probably I have been too generous. Possibly it won't cost quite as much as I have said. If so it will be another little saving.

I think that's all Mr. Hollett said, except the question he raised before, of those two debts that Newfoundland owes that are coming due in 1950 and 1952, against which the government has placed money over in England. Why I have not put the interest in, I have told Mr. Hollett I will give him the answer tomorrow. Perhaps I have made a mistake, but at all events give me an opportunity to look into the matter, and if I have made a mistake there's nothing to add. I have gone a long way in giving you some estimates of what the Government of Newfoundland would spend for the first eight years, and what would be their revenue for these eight years, and done it in considerable detail. It is entirely possible, not being minister of finance, and not having even a secretary that I have made a mistake. I have got hundreds of letters in my house that I have not had a chance to answer. Give me a chance, and tomorrow morning I will look into it, and tomorrow afternoon I will confess it very frankly. They say that open confession is good for the soul, and my soul needs some confessing after 14 months in this Convention.

Mr. Higgins With respect to these budgets, as Mr. Smallwood recollects, the Ottawa delegation made a budget before going to Ottawa. They followed the same lines as the budget being brought in now, with the exception that there is a