

difference in the figures. I can understand why the difference in expenditure may arise, but frankly the difference in the expenditure from the one we made up rather puzzles me. The first gave an accounting for expenditure of \$13,920,000. When we got to Ottawa, after some consideration we increased that budget by \$500,000. If I remember rightly ... the budget for expenditure that we finally presented was \$14,420,000. That is as you have it in your Black Book. Now on the

revenue side we had a revenue of \$3 million. That is apart altogether from this \$1 million tax that we added on afterwards, a special tax...

**Mr. Chairman** Mr. Higgins, if you don't mind, I must remind you that it is nearly six o'clock, and if I don't get a motion to rise before that time I will be leaving the Chair at six o'clock as I am required to do.

*[The committee rose and reported progress, and the Convention adjourned]*

December 10, 1947

**Report of the Ottawa Delegation  
Proposed Arrangements for the Entry of Newfoundland into Confederation  
Committee of the Whole**

**Mr. Higgins** Mr. Chairman, when we adjourned yesterday, I was referring to budgets that had been made by the delegation prior to their going to Ottawa in June.... Now we made two "guesstimates" going to Ottawa, one was to do with expenditures and one with revenue. There has been a difference in both these budgets, from the ones we made up and the ones that are before you today, and it is in that connection that I would like some explanation.... Now if you will begin on page 56 of the Black Book, part II, you will probably follow me a little more intelligently. It is "Probable Division of Existing Newfoundland Public Expenditures"....

*[Mr. Higgins then went on to compare the estimates of probable provincial expenditures and revenues prepared by the Ottawa delegation and printed in the Black Book, with the estimates submitted by Mr. Smallwood on December 8]*

....I merely draw your attention to these [changes] because frankly the way it appears to me is this: that when these estimates were made up by the committee going away, they did the best they could with what they had. They had no clerical help from the department concerned, even though application was made, but we did the best we could. Now I submit to Mr. Smallwood that he was faced with increased expenditure, and he had to find increased revenue for it, and he has apparently stepped up the figures that the committee prepared, and I would like an explanation as to why he did that.

**Mr. Smallwood** Mr. Chairman, Mr. Higgins has gone to great trouble to compare the estimates of revenue and expenditure made up by the Ot-

tawa delegation before we went to Ottawa, with the estimates of revenue and expenditure that I brought in here on Monday. Frankly I do not see the point. I do not see what point there is in comparing two things which are not comparable. Before we went to Ottawa we felt that we ought to have some idea of how much money the Government of Newfoundland would have to spend each year, if we became a province, and what would likely be the revenue to go towards that expense. We felt that we ought to do that. We did it according to the best of our knowledge at that time. We spent three months in Ottawa, and we learned a lot, and on the basis of what I learned I brought in here on Monday estimates of what the Province of Newfoundland would likely have to spend per year, and estimates of what the revenue from all sources would likely be.... What relation there is or can be between the two, apart from a purely academic relationship, I fail to see. As I have said several times in the last two or three weeks the estimates of expenditure and revenue that we made up before we went to Ottawa, that appear in the Black Book, are out of date....

In introducing these estimates on Monday, I took, I believe, from 3.30 - 5.30 pm to read them, and to explain various items that differed materially from the government's own current estimates.... The basis of comparison should be between the estimates that I brought in here Monday and those of the government as they exist in the current estimates. That is a fair basis of comparison from the standpoint of expenditure. Now from the standpoint of revenue I grant you, the