

\$500,000.

Mr. Smallwood There is a slight difference of opinion between Mr. Butt on the one hand and the Commission of Government on the other. If Mr. Butt will turn to paragraph 94 of the estimate, the Newfoundland government's own estimate, not mine, the third item from the bottom, which is the three year reconstruction program of the present government; the third item from the bottom — \$1.75 million. Now Mr. Butt regards all that as ordinary expenditure on maintenance of roads, whereas the government regards it and treats it as reconstruction expenditure, part of a three year reconstruction program, and the amount I have down of \$1.27 million per year is the government's ordinary maintenance of roads as they now exist. But roads that will be built from the time that we would become a province, would be extra or special, or reconstruction, or capital, and the maintenance of them would have to be ordinary expenditure.

Mr. Butt There is one way the Convention could settle a matter of that kind — call in the men who are doing this job in the government. The actual fact is that that money is all required for maintenance unless you are going to leave your roads exactly as they are today.... I don't speak definitely on matters of this kind unless I know whereof I speak. I say this is out by half a million dollars.

Mr. Hollett I find myself in a very peculiar position, in that Mr. Bradley moved, "that the Convention resolve itself into a committee of the whole to further consider and discuss the proposals received on November 6 from the Right Honourable the Prime Minister of Canada"; that is what this committee of the whole is supposed to be doing now. What are we doing? We are discussing a proposed budget brought in by Mr. Smallwood. The whole discussion is out of order, but we are at it, and we may as well continue it.

Mr. Chairman If you don't mind, Mr. Hollett, I would like to make my position clear. Mr. Smallwood has, if not at the request of the Convention, at least by and with their consent, introduced this for the purpose of breaking down some figures that were received from the Prime Minister of Canada. I have not ruled that he has the right to do it, but he has done it at the request of some members of the Convention, and I have

allowed it to go.

Mr. Hollett That may be so, but I maintain that he has not broken down these figures, but has brought in new figures. I propose to go through this, including also the Black Book and the Grey Book as time goes on, and for that purpose I want to start at the beginning of the proposed budget brought in by Mr. Smallwood and make an inquiry.

On page 15 you will notice "Trustee stock not converted...on these two loans", one up to 1950, and that amounts to \$80,569 and the other in 1952 amounts to \$42,806. What I can't find out in the estimate is if any provision is made to pay the interest on these two loans. I know that \$3 million has been set aside in Great Britain to wipe out these two loans at maturity, one in 1950 and the other in 1952, but I do say that our government in Newfoundland, be it as it is now, or be it under confederation, has to supply enough money to pay that.... Your provincial government will have to pay the interest on that \$80,000 and \$40,000 and some odd from 1950 to 1952. What I would like to ask is, why Mr. Smallwood has not made any provision for that in his proposed expenditure?

Mr. Smallwood In reply to Mr. Hollett, if he is prepared to wait until I have talked to the Finance Department I will give him a very complete answer.

Mr. Cashin There is no answer beyond the fact that the government is transferring the interest on this money semi-annually, June 30 and December 31, and in this provincial budget these two loans have to be taken care of as to interest. Now there is \$3,232,000 at 2.5% set aside in the Bank of England to meet this loan of \$3.5 million. We figure that as the loans mature the interest which will be accumulated on these two amounts will be sufficient to pay them off, but at the present time the interest is being transferred to London to pay these, consequently I realise, and Mr. Smallwood realises, that it is immaterial. It does not matter whether he goes down to the Finance Department or not, it is left out. Until 1950, or from then until 1952 it is \$40-50,000 or more.

There is another thing while I am on my feet. I find in the Black Book, volume II, page 56, the total expenditure in this budget for the Finance Department, if I can make it out, because I never