

decide that we will spend it in one year, or 50 years, or not spend it at all. Whatever the government decides, that is it; except that of course, after the cabinet decides, it has to be brought into the House of Assembly.... Now don't let's hear any more about that. It's bad enough to have to bring in a budget, without having to educate men on public finance. I take my hat off to Mr. Hickman, but although he has had a lot of experience in private finance, he has had very little in public finance.

The next point, he says I have not got enough in this estimate by \$500,000 for Health and Welfare, and for the government's reconstruction policy, \$2.5 million. Well, that's a good one — the present government's reconstruction program of \$2.5 million. Since when has Mr. Hickman become a convert to the present government's reconstruction policy? The day that this Convention opened, every member here was presented with what was called "A Proposed Reconstruction Programme", every year for ten years. We remember Mr. Wild, Commissioner for Finance and Customs. Major Cashin brought in a resolution, and we adopted it, and Mr. Wild came up to a private session of the Convention and he was asked a question about this reconstruction programme — \$59 million or \$60 million dollars for ten years. "Where do you propose to get the money for that?" Every member remembers what he said: "Oh that's just a programme that we think should be carried out, provided the money were there to carry it out with". I doubt if there is one member in this Convention who would take that reconstruction programme and agree with it. Out of \$60 million how much did they propose to spend on the fishery? \$1 million wasn't it? On roads I think it was \$12 million. There is not a man who agrees with the government's reconstruction programme, and Mr. Hickman does not agree any more than I do. But now he comes to the debate, and it is a different story: \$2.5 million you have to spend on the government's reconstruction programme. It is very convenient to use it although he did not agree with it. I apologise for being so long, but I will come back to it later.

[Short recess]

Mr. Smallwood Mr. Chairman, I will just take a couple of minutes to finish what I was saying before the recess. On this estimate of mine, the

total expenditure of the provincial government for the first four years of union would be \$15.1 million a year, and for the next four years it would be \$15.5 million or \$15.6 million a year, and Mr. Hickman claims that it is \$2-3 million short; but my answer is this: it is not short, that these dollars that he claims should be added on will be spent all right, and probably should be spent, as this country has not got enough public services. We know that, and spending \$15 million a year for the first four years, and \$15.5 million for the next four years would not create any new services at all. I would ask you to take notice that provision is made, in these four years, for the cost of up-keeping new services that we have not got now, but those amounts do not cover the cost of putting the new services there. But Mr. Hickman claims that the cost of creating these new services should be shown in the new cost of government on the ordinary account side. I hold the exact opposite. We need more schools in Newfoundland; a lot of schools that we have now need to be repaired and improved. We need new roads and a lot of new services: new hospitals, and a number of new things, which if we are to get them at all will have to be got by the provincial government. Some will be gotten by the federal government: bait depots, etc., would come under them, but under the provincial government a number of new services have to be got. I admit that, and I hold that the ordinary expenditure of the government year by year should cover the cost of keeping up any public services we have, but the cost of new public services — roads, hospitals, schools — should not, and does not need to be included in ordinary expenditure. They should be on extraordinary, special, capital, reconstruction, or whatever you like to call it; and for that we have money to do the job. We have \$28 million; when this fiscal year is over we may have \$30 million, which we can put on deposit and draw interest on it, and draw out of that sum some amount each year to build new schools, new roads, new hospitals, and new public services. That is what that money would be for, and the amount that you would draw out every year to spend on capital account should be decided by the general conditions of the country. In other words, you should time your spending. Now it's been held, and I think rightly, that one mistake that our present government is making is to be