

tion will ask for, whether they get it or not, another \$1 million, and they will require as a minimum say \$500,000.

On the Public Health side we find that figure has been brought down to \$5.2 million-odd, from \$6,274,000. Some of that cut was explained and been taken care of. The department, however, will not be able to get along under present conditions on, not just the cut to \$5.25 million, but it would not be able to get along with the budget made by the Commission of Government amounting to \$6.25 million. We have got these extra hospitals, the General Hospital which is not yet completed, the sanatorium at Corner Brook, which will be a 250-bed hospital, and the Western Memorial Hospital. The late Sir John Puddester told us in committee here about 12 months ago that even with what they were spending then and would spend this year, they would require considerably more money to maintain the service, and that the maintenance cost would be considerably more. I think, if my memory serves me correctly, that it would run at least another \$1 million more. I may be wrong, perhaps Major Cashin will remember.

**Mr. Cashin** \$1 million.

**Mr. Hickman** So that would bring it up to about \$7 million odd. And I understand now that they anticipate another million extra, which will be a difference of about \$2 million as I see it; but put that conservatively, and call it \$1 million or \$1.5 million. Now there is no provision, except at the end of \$500,000, for expenditure in the province for new services.

**Mr. Smallwood** \$750,000.

**Mr. Hickman** \$750,000, yes. Well, these hospitals all have to be finished, equipped and staffed. There is no provision made for the extra staffing; the only provision there is \$750,000 each year for total new reconstruction. Now members will remember, in the early days of the Convention, we were given a reconstruction program by the Commission of Government, and in there they planned to spend \$59 million or \$60 million in ten years. That would be about \$6 million per year that they had planned, providing the funds were there, to spend on reconstruction. Supposing we cut that in half, making it \$3 million for reconstruction; yet in this budget there is only \$750,000 provided for all new services or reconstruction.

**Mr. Smallwood** No.

**Mr. Hickman** Yes. Wait a minute I am coming to that. Now if you take these items, I note there is Education which roughly is \$500,000 over and above what is in the budget, there is Public Health, which we figured at \$2-2.5 million over and above the provincial budget. We will cut that down to \$1.5 million, which will bring it down to \$6.7 million, which is slightly more than required on today's basis. The reconstruction which the Commission of Government had provided for at \$6 million for the next ten years, we will call only \$2.5 million, on that total it brings us to a \$4.5 million expenditure, and I have tried to be conservative in this, \$4.5 million over and above the expenditure which Mr. Smallwood provided for in yesterday's budget. If you add that to the \$15 million expenditure which he anticipated you get approximately \$19.5 million. That would be our expenditure if we have to spend on the same basis as we have the last few years, if we maintain the same services. There is no large provision there for relief, but I will come to that later on.

Now turning to the revenue side of the budget, included is the total repayment of the amount that the Newfoundland government will have paid to the Canadian government for Gander, which I think he said was around \$600,000. Anyway the total amount we paid to them we will get back, plus the money paid for the ships being built right now in England for the government here. That shows a revenue of \$255,000 a year. Mr. Smallwood said he was prepared to argue in this Convention or with anyone outside it that that should go into this current revenue. As far as I am concerned Mr. Smallwood can argue forever on that point, but I will never be convinced that repayment of the money paid for Gander and the money for the boats, taken from the money we accumulated, belongs to current revenue. I know that last year the government did that, but they were wrong too, like Mr. Smallwood. You can argue till the cows come home, but it is not the right principle. I have yet to see a balance sheet that did not separate capital from ordinary expenditures. That \$255,000 per year which is revenue shown in this provincial balance sheet should come out of it. It is not earnings of the province, it is not current revenue, it is repayment of money that we expended.... It is not current earnings, and similarly there is \$125,000 in there per year as