

answer it now unless there's someone else wants to speak in the meantime, or to direct another question to me.

You'll remember, Mr. Chairman, that in 1940-41 our expenditures were roughly \$16.25 million a year. And they gradually kept going up, year after year, year after year, and in including that \$21 million ... we had taken into consideration what might have happened under another form of government, if at that time that such a form of government had control of the affairs of Newfoundland. We certainly would not have driven our expenditure up from \$16 million to what it was at that time, around \$30 million, but we would have tried to level off that expenditure, and once we realised that the cost of living had gone up we felt that that expenditure should properly have tapered off, and should not have gone above \$21 million. I'll go a little further now and say \$22 million a year. We would have tried to keep her down because in good times its always good government to put away something for a rainy day.... Consequently, we would have tried to save some money. Our taxation on the ordinary necessities of life is not particularly high, and whilst the cost of living is high, the taxation per capita in the country is not as much as some people would imagine it is. And our idea of having expenditures of \$21-22 million would have left us considerably more money in our treasury. It looked to me, and it looked to all of us, that as more money came in it gave an incentive to the government to start doling it out in all directions. You must remember that there were millions of dollars spent for which we got no value whatever. True we built roads, but how many dollars, how many cents in dollar value did we get from building roads? True, we built the vessels, vessels that cost nearly \$3 million and should have cost, and were estimated to cost just \$1 million dollars. These are things, if we go into details, which show that it shouldn't have gone over \$21-22 million, and will prove what I've asserted. Ordinary common sense and good, sound, economic government would have held that expenditure down to \$22 million, and if we had held it down to \$22 million the statement I made the other day about having around \$60 million in the treasury would have been a reality. But they didn't do it, and now we're in a position where the expendi-

tures are driven up. We arrived at a stage one time before in our history, and I was unfortunately in an official capacity at that time, when expenditures were up for ordinary government ... and we found we had to try and cut down our expenditures to try and square our accounts. We couldn't do it. Therefore I hold that in good times, good government will try and be economical and saving and thrifty, because there are cycles in the world where you have good times for five or six years, then it turns over to bad times. Well, a good government will make provision in the good time to carry us over in the bad time. And when bad times arrive you're able to weather the storm. That might have been in the past one reason why we were unable to carry on, not so much because we had incurred liabilities that we shouldn't have. I don't want to repeat those things again this afternoon, but I still hold that at no time during the past five or six years should the ordinary expenditures of Newfoundland have gone above \$21-22 million a year. And I'm rather generous then, because one of the Commissioners for Finance, a little over a year ago, told us that to ordinarily operate Newfoundland, it shouldn't cost any more than \$23 million, when they were slapping money in all directions. I don't want to go into details this afternoon of where it went, because it would occupy this house, and I'd have to bring all these Auditor General's reports back and find out where many millions of dollars have gone. But if sound government, government of our own, people who were interested in our own affairs, who wanted to provide for the future, had taken the necessary care, I feel that our ordinary annual expenditures should never have risen above \$22 million and not \$21 million. I'm prepared to change it to \$22 million.

Mr. Newell I take it that what Mr. Cashin is really saying is this, that on the basis of providing the services that this country has¹ ... he thinks the revenue of a cautious government could have been kept down to that figure. That's what I'm really getting at.

Mr. Cashin Yes. That's my own personal opinion.

Mr. Newell Well, that's all I want. It's my own personal opinion which is different in some respects, perhaps. There are some services which our government is not providing, which possibly

¹Gap in the recording.