

John's.

**Mr. Smallwood** That programme as to social services is a continuation of the policy you have been carrying on?

**Mr. Wild** Yes.

**Mr. Smallwood** In your preamble to this reconstruction and development scheme it is stated that as much as possible of the amounts mentioned should be raised out of ordinary revenue, and as little as possible out of the surplus. Is it not rather tantalising to dangle all those unavoidable improvements — all of them desirable — before us, involving an increase over ordinary expenditure — all those new hospitals, new roads — with no indication whatever of how it will be paid for?

**Mr. Wild** I do not know what the increased expenditure will be. I know it will be double for roads.

**Mr. Higgins** Are we to understand that if the Commission of Government were remaining, that programme would be gone through?

**Mr. Wild** It would be our intention to go ahead with that. They even got it down to the next two years. I do not think we would do it if it meant using the whole of the surplus. A certain part of it should be kept for a rainy day. We are in a trustee position as a Commission of Government. We figure we are caretakers. We do not want to take the island too far. If the island should choose another form of government, and they as a government should decide to spend the whole surplus, that is a matter for them.

**Mr. Higgins** If we decide to keep Commission of Government, will that money be found?

**Mr. Wild** You mean the grant from the other side?

**Mr. Higgins** Yes.

**Mr. Wild** I think the Secretary of State in his statement was not very forthcoming. He said referring to earlier proposals for an outright reconstruction grant to the Newfoundland government, "Our relations with Newfoundland have been so special and Newfoundlanders have played such a gallant part in the war, that it would, I know, be the wish of us all to assure to any new government which may take over in the island the fairest possible start. But we must all be careful not to promise what we may not be able to perform, and the special difficulties of our financial position over the next few years may

well preclude us from undertaking fresh commitments."

**Mr. Smallwood** Just what new commitments are meant? Was it not part of the deal when we got Commission that they would underwrite our indebtedness?

**Mr. Bradley** I do not think they are committed to that.

**Mr. Wild** The normal practice is not to give grants in order to maintain services. If the Convention should wish further information on that I think the question will have to be asked of the Secretary of State.

**Mr. Bradley** All this tends to darken the possibility of our future self-sufficiency, does it not?

**Mr. Wild** There is \$10 million coming out this year. Assuming that tomorrow you have responsible government, and you say "Let's cut out income tax", of course you will not be able to meet it, but if you continue, I think that ...

**Mr. Bradley** This programme then means more in annual burden.

**Mr. Wild** If I might hazard a guess, I would say the additional burden will chiefly be on roads. The hospital side of it, including the new sanatorium, etc., I mentioned last time, \$500,000 would be the extra cost, but we are already committed to that.

**Mr. Smallwood** Half a million dollars more extra maintenance.

**Mr. Wild** Yes. The new sanatorium on the west coast and the new hospital at Botwood.

**Mr. Smallwood** \$2.5 million extra per year.

**Mr. Wild** I should not doubt it. The \$2.5 million from the salt fund will partly meet it. I can only give you a guess, not a reliable indication, but for what my view is worth I would say about another \$1 million.

**Mr. Smallwood** I thought roads alone would give another million. The \$12.5 million spent on roads and bridges would mean extra expenditure.

**Mr. Wild** The full cost of roads would mean another million. It is not only the cost. You can't have revenue unless you have the industry to pay the cost. The question is how far the revenue will drop. A lot depends on that.

**Mr. Smallwood** The ordinary expenditure would be about \$24 million if that plan were gone ahead with.

**Mr. Wild** We might say about that figure. Sir Wilfred Woods gave a rough estimate of \$2.5