

#15.

Cost and Revenue.

The difference between the Cost and Revenue indicates a deficit of \$32,000. You stated in your Memorandum that approximately \$7,000 had been collected in fees from private patients; if this were allowed for, it would make the deficit \$25,000. I think it is justifiable to assume that an equal sum at least could be acquired from a similar source and probably in the future be greatly increased. The question remains as to how the additional sum can be raised to meet the total expenditure. This is a question upon which I cannot form any definite opinion.

There are obviously four possibilities :

That the Hospital or University Grant might be increased.

That the Revenue from private patients might exceed expectations.

That a Capital Grant, bearing certain Revenue per annum, might be obtained from outside sources.

I think it very unwise to place any reliance in your calculations upon the amount likely to be received from private patients. If you did so, it would make the raising of any such sum the first charge upon the work of the Department. This would be a most deplorable state of affairs in my opinion. If it should