

not be employees of the government in the sense that they would be employees of the Corporation.

Mr. Higgins I merely queried, I don't say yes or no.

Mr. Chairman The Fisheries Board is in a very unique position, because to the best of my recollection, it is the only department of government here incorporated, whereunder it is liable to sue and be sued as an ordinary person. There is no other department....

Mr. Higgins The radio broadcasting corporation.

Mr. Chairman Well, I have not examined the constitution of the broadcasting corporation, but I have had occasion to examine the constitution of the Fisheries Board many times.

Mr. Crummey The Fisheries Board, as at present set up, cannot operate under confederation. Isn't it an illegal body under confederation, the present Fisheries Board?

Mr. Ballam I can say that they told us that the fisheries set-up we have in this country would be maintained....

Mr. Chairman I would remind you that under the company laws of Canada, if you are going to operate in a single province then of course you take out a provincial charter.... The point is this: if you want the right to do business nationally then you apply for a federal charter, but that does not affect the right of any province to grant to any individual the right to operate in that province, therefore the Fisheries Board, if the set-up is as I see it, would be operating under a provincial law.... If we went into confederation, it would not in any way effect the provincial status that the Fisheries Board charter would then take.

Mr. Crummey Mr. Chairman, my impression was that the Fisheries Board, as it operates in Newfoundland, has the right to import and export. Under the BNA Act, a province has no such right, and naturally the Fisheries Board must go out of operation, but I think, in these terms, it is provided that the Fisheries Board may go under their board as a representative of the Newfoundland fisheries.

Mr. ChairmanThe Fisheries Board would be hampered from operating within other provinces unless it took out a federal charter, or a series of ancillary corporations ... but that would not affect its right to operate within the Province of Newfoundland....

Mr. Cashin Mr. Chairman, there's a few questions I would like to ask. I would be glad if Mr. Smallwood would answer briefly. "Employees of the Government of Newfoundland in services taken over by Canada as provided for in clause 5 above will be offered employment in the corresponding Canadian service under the terms and conditions governing employment in that service...." Take the Customs department, which employs 250 people, and collects today over \$20 million. When and if we went into confederation with Canada, according to statistics we have here, the customs revenue will be only \$4 million. Now are all these employees going to be retained down here, or laid off and offered positions in other parts of the Customs of Canada?... Will they reorganise our Customs ...? Have you any guarantee, in other words, that the men are going to be retained in the Customs service in Newfoundland? I don't see anything here to cover that.

Now the next thing. "Pensions of employees of the Government of Newfoundland superannuated or retired on pension before the service concerned is taken over by Canada will remain the responsibility of the Province of Newfoundland."

I would like Mr. Smallwood to explain what is going to happen to the postal telegraph department particularly. These are practically all over Newfoundland. If the telegraphs are taken over, they will be the Canadian National Telegraphs, which control the system of Canada. Are they going to keep the telegraph offices open in White Bay, Aquaforte and all such places? Are we assured that these communications are going to be maintained or are they going to be cut? There is nothing to show whether they are going to be maintained or whether they are not.

Mr. Smallwood First, the Government of Canada will take over a number of services we now have today, take on quite a number of new men; on top of that they will introduce into Newfoundland a number of services we have not got at all. For those services they have to take on many more men and they have to be Newfoundlanders.

Mr. Cashin Not Canadian?

Mr. Smallwood Under section 63 of the Civil Service Act the Canadian government, except in the headquarters office in Ottawa, must employ