

coming here and also beginning construction. And this whole paragraph deals with a matter which aroused intense and bitter interest amongst the people of Newfoundland during those war-time base construction years. First, I want merely to ask the chairman of the Finance Committee if he would tell us what he knows, or what the Committee knows, about that situation. Most of the people in this country today believe that the Commission of Government directly or indirectly, legally or illegally, morally or immorally, somehow caused wages on the bases to be kept down lower than the Canadian and American governments and contractors were willing to pay: that our government kept them down and lost many millions of dollars. On page 98 you say, "We are also of the opinion, that if the Commission of Government had not restricted the rates of wages to be paid our people engaged in the construction of military naval and air bases, the earnings of those people would have been supplemented by an additional \$15 to \$20 million."

I'd like the chairman of the Finance Committee to tell us and tell the country, what he knows in addition to what has been put in this part of their report and then, secondly, without any desire to prolong the debate, I propose to tell a little that I happen to know about the same matter.

Mr. Cashin Mr. Chairman, in reply to Mr. Smallwood, when this matter was brought up in the Finance Committee we had considerable discussion on it. Some of us felt that we shouldn't inject it into the report at all. But we had businessmen, mind you, associated with this Committee. We discovered that in many instances our own businessmen right here in the city of St. John's were paying more money for labour than was being paid to similar labour on the various military bases. We were also in touch with some labour leaders and we had one gentleman on our Committee familiar with the situation, who told us definitely that direct or indirect instructions had been given the Americans when they started work, particularly at Argentia, that the rate of pay wasn't to be above 30 or 35 cents an hour; and that afterwards, these various labour organisations got together and approached the government and they got the rate of pay jacked up to another 5 or 10 cents an hour. I think that's what my memory tells me. Now it is generally known all over the country that at that time there were

Canadians and Americans brought down here and put on jobs, and paid much more money for similar work than Newfoundlanders. I have talked with men repeatedly who told me that they were working for the Americans in Argentina and could have got more money, but the bosses on the jobs told them, "Your own government tells us not to pay you any more than this for doing such a job." That was quite prevalent. It was general knowledge throughout the country that that was the case. We didn't bring in the Commissioner of Public Utilities for instance, and ask him about it because we knew the first thing he'd tell us, after our experience with him in the connection with the Gander airport, that he wasn't here when this was done. And that would end that. It was in the days of Sir Wilfred Woods that all this thing was done by the Department of Public Utilities. And there's labour men in this House today more familiar with what happened in this respect than I am. I have repeatedly stated and broadcast over the air, and it hasn't been contradicted yet by the government or by anyone else, that this was done to keep down the cost for the Americans and for the Canadians at the expense of the labouring man in Newfoundland. And I'm still of the same opinion that it was done for that purpose. Some say that it was done in order to protect certain business interests in the country. Now all these points are ones that should not be brought up here at the present time or we're going to be fighting about businessmen getting preference from the government, but the facts are that the Commission government did actually do that. They gave the instructions and unfortunately many of these contractors are gone out of the country now and we couldn't corroborate it by their personal proof. The rates of pay paid the Americans and the Canadians, if they had been paid to the Newfoundlanders, we figured that another 25% in earning power would have accrued to our people which they were deprived of because of this action. With regard to the economy of the country, I can't see how it would hurt it for this reason, that it would have given these men another \$10 — 15 million which they would be able to spend, which would create profits for those who were in business, and revenue for the country. I'd like Mr. Smallwood to explain what he knows about it, and I think that Mr. Fudge and other gentlemen here know more about it than I