

for many years to come. As they gradually get pensioned they will come on to the Newfoundland government for part of their pension ... and you have already your existing pensioners; and you have those civil servants who will still be provincial civil servants.... Now we have an amount of \$200,000 a year. That will cover it.... It might go to \$250,000 for a year or two in which case you would have to find another \$50,000 a year....

Mr. FogwillThe \$200,000 that we have laid out will only cover civil service pension rights for the employees of the Province of Newfoundland. Also included are those who will get pension rights and be superannuated in a few years. That has not even reached its peak yet, not even in regard to the ones who will be left to us. That will be an amount of probably 1,800 to 2,000 people. Now then, 1,600 people will go into the employ of the Government of Canada. I take that out of the estimate, and we have got to provide now in our provincial estimate, for their prior service, and that prior service will amount to \$870,000 at ten years' service. At 12 years, which is only a conservative estimate of the average years of service of all those people, it will amount to \$1,046,000. We have got to provide for that.

Mr. Smallwood Not a year.

Mr. Fogwill That's the total each year. Now then, we have got to take 5% of that and multiply it by their service, and lay down \$130,000 a year for the next eight years to provide for pensions of those who go into the federal employ of the Government of Canada.

Mr. Smallwood Let's put it this way...

Mr. Fogwill Mr. Chairman, it's just as well to tell the people of this country the truth.

Mr. Smallwood Now suppose we don't have confederation, and the present government is what we go on with; or if we have anything but confederation in the next ten years. At the present time civil service pensions are costing us \$202,000 a year. What will be the bill ten years from now? Has Mr. Fogwill figured that out? Per year, ten years from now, what will be the civil service pensions bill that the Government of Newfoundland will have to pay?

Mr. Fogwill It will be double.

Mr. Smallwood It will be double! Well, in that case I am completely stumped. Mr. Fogwill does not figure on anyone dying; all he figures is that

the number of pensioners will keep piling up, and none of them will die.

Mr. Fogwill Of course they will pile up, because they are getting older all the time. Did you read the Civil Service Pension Act a little while ago? Did you read it?

Mr. Smallwood I can't say that I have.

Mr. Fogwill Well, why don't you read it?

Mr. Smallwood You must admit that I have been fairly busy this past few weeks, and can't read everything.

Mr. Fogwill Other people have been busy too.

Mr. Northcott Yesterday it was stated that in the event of union with Canada some of the civil servants would probably be paid off; but on the other hand Mr. Smallwood said that under various departmental heads we would probably have an extra 1,000 engaged. That's right isn't it?

Mr. Smallwood Yes.

Mr. Northcott Well, the question I want to ask is this: assuming they get \$2,000 a head for an average salary, that's \$200,000; who pays that, the provincial government?

Mr. Smallwood Who pays who?

Mr. Northcott The civil servants, the extra 1,000 that you refer to.

Mr. Smallwood I said that if we become a province our public service would be cut in two, one part would still be ours, and our provincial government would have to pay that. The other part of it would become federal government, and the Government of Canada would stand it. In the departments that the Canadian government would take over and handle, they would take the civil servants who are in each particular department at the time union takes place. But on top of that again there are government departments in Canada which we have not got here at all, which would be established. The Canadian government would open new offices here over and above the Newfoundland offices that they would take over, and in those new offices they would employ something up to 1,000 people.

Mr. Northcott Who would pay them? That's the point I want to get at.

Mr. Smallwood Their employers — the Government of Canada.

Mr. Northcott That's the point I want to get at.

Mr. Bailey Mr. Chairman, I wonder, in the light of the budget just brought in of \$15 million, why,