

familiar with the circumstances or the facts. But I do say that the reasons assigned by members here this afternoon for the government causing wages to be reduced are mere speculation, conjecture or opinion and I want to remind members that opinion is merely a matter of judgement upon which men might reasonably differ...

**Mr. Higgins** Mr. Chairman, this observation was made by the Finance Committee purely as an observation. Sir, I'd like to know in what way this whole discussion is pertinent to our terms of reference. I feel its entirely out of order...

**Mr. Chairman** The point I want to make is that in making this statement, the Finance Committee are not to be saddled with the responsibility flowing from any conclusions, wild opinions or conjectures which may be drawn by any members from this section of the report which has been under discussion for the past hour. I want to make that clear.... The statement is made by the Finance Committee. You accept it or you don't. But I want this discussion to be conducted in such a way that the inferences drawn by certain members from this section of the report ... ought not to be made in such circumstances where the Finance Committee is saddled with the conclusions or inferences which may possibly or properly be drawn from this section of the report.

**Mr. Jackman** I understand then, sir, that this matter of wages could be dealt with under the Economic Report.

**Mr. Chairman** Let me rule if I may, gentlemen. The decision of this Convention is of a threefold nature. Let me try and reduce it to its simplest position. The act itself says that you shall consider the financial and economic situation of the country since 1934 with particular reference to the impact which war prosperity might have had upon our economy, and that in the light of that you will go on to recommend the future possible forms of government. I reduce the second section simply to a three-fold position. The Convention shall consider, one, is the island self-supporting? That is the work of the Finance Report. Secondly, the Convention shall consider whether or not the island will continue self-supporting, and if the answer to that question is in the affirmative ... how long will it continue self-supporting? And then in the light of the decisions arrived at the two previous questions, to then recommend the possible future forms of government which could be

safely recommended to the Dominions Office to be included in the referendum, and which could be safely superimposed upon the productive economy of the country. That reduced to its simplest position is the effect of the section that I see.

**Mr. Hollett** I don't know whether you agreed with Mr. Higgins or not as to whether this thing was outside our terms of reference.

**Mr. Chairman** No sir, I didn't.

**Mr. Hollett** You didn't make the ruling, I see.

**Mr. Chairman** No, I didn't.

**Mr. Hollett** I would like to say a word about that. For instance let's read that paragraph:

The Finance Committee also deplores the action of the Commission of Government with respect to restriction by the Commission of the rates of pay to be given our Newfoundland workmen in return for their services in the construction of the American bases inasmuch as it is asserted that the Commission of Government gave direct or indirect instruction to the American and Canadian contractors not to pay Newfoundlanders the same rates of pay as the American workmen for performing similar work on the grounds that it would upset the general economy of the country.

Now I hold that this is relevant and comes under the terms of reference. As you have very excellently put it, our third duty is to recommend to the Dominions Office a form or forms of government. I would say right here now, and I think every man here will agree with me, that if any government would stoop to do that which the Finance Committee have asserted they did, then that is one form of government which I could not safely recommend when it comes time. Therefore I say, it is very relevant and certainly within the terms of reference.

**Mr. Chairman** I have to sustain you on that point. I must hope that this section of the Finance Report which is tabled for discussion at the moment is under review by members, and anything confined to this section of this report is relevant.

**Mr. Hollett** Now then, getting back to the question which Major Cashin has not answered to my satisfaction ... wherein they say that the Finance Committee deplores the action of the Commission of Government in doing these things ... I'm glad Mr. Smallwood brought this matter up. I