

interested in that. I am interested in the fact that civil servants have to contribute towards the pensions. The point is they would have to contribute — today they have not got to contribute. It is something like 5½% or 6%.

Mr. Smallwood You are guessing.

Mr. Butt I am not guessing. The point is, civil servants will have to contribute. Today they do not have to contribute. Another thing, our provincial pensions will be paid by the provincial government?

Mr. Smallwood Yes.

Mr. Butt Which means that the province would have to get a contributory scheme, or we would have part of the civil service getting pensions from the provincial government — one part would be servants of the Government of Newfoundland and the other, civil servants of Canada. One is rich and the other is not so rich.

Mr. Smallwood I appreciate that.

Mr. Butt A good many civil servants will appreciate it too.

Mr. Smallwood Do not make propaganda.

Mr. Butt It is not propaganda. The civil servants will have to contribute to their pensions. I ask you to explain, is it true or is it not?

Mr. Smallwood I have not got the act here. If you want a debate on the civil service of Canada to compare it with the civil service of Newfoundland, we will have it and see who comes out best.

Mr. Butt You can be jolly well sure we will have a debate on it.

Mr. Bailey I was going to refer to this.... Up to now, the Railway paid its pensions out of the earnings of the Railway. Now we find, after the federal government takes over the Railway, although these men have worked hard to make it pay, the province is stuck with the superannuation for another 50 or 60 years before this is finished.

Mr. Smallwood Those pensioned up to the time the Railway is taken over by the Canadian National Railway, not those pensioned after.

Mr. Bailey Although the province has lost the earning power of the Railway, they are stuck with the superannuation.

Mr. Smallwood How would the province lose the earning power of the Railway?

Mr. Bailey The earning power would go to the federal government if they took it over.

Mr. Smallwood If it paid, yes.

Mr. Bailey We take it for granted it is not going to be run at a loss if it can be made to pay. If it does pay, the province is left with these pensions. After all, the pensions should come under the Railway.

Mr. Fogwill Did I understand you to say that the Railway employees now retired on pension, those would become the responsibility of the province?

Mr. Smallwood Certainly...

Mr. Fogwill I thought the responsibility lay with the Railway and not with the Newfoundland government. These people have acquired no pension rights under the Newfoundland law. Who is going to be responsible for all those who are now off?

Mr. Smallwood It is here in section 3, clause 17.

Mr. Fogwill That relates to employees of government who acquired pensions under Newfoundland law. Now, the Railway retired pensioners have not acquired any rights under Newfoundland law.

Mr. Smallwood If I were Mr. Fogwill — he is a railway man and a trade union man — I would not make such a dogmatic statement as that. Whether they acquired them is a delicate matter. I would not brandish it about and broadcast it; it may not be the case. There is a very delicate situation there, as Mr. Fogwill knows. Mr. Fogwill knows the inside story of the pensions of railroaders and the legal position surrounding it. I would not brandish it around by saying, "They have no legal right to a pension." I happen to know.

Mr. Fogwill I am not brandishing anything about. I want to know the truth. We are keeping it dark.

Mr. Smallwood What would happen under confederation in that matter is stated in section 3 of this clause. Let me put it in my words. Newfoundland becomes a province on a certain date; certain men have been pensioned from public services that the Government of Canada would take over on that date. The pensions due those men who had been pensioned, retired on pensions, before Canada took over, their pensions would be the liability of the Government of Newfoundland and not of the Government of Canada. Those who would become pensioned after confederation would be the liability of the Govern-