

our railway, would we get any improvements?" Then Commander Edwards went ahead. I wonder if Mr. Ballam would care to give us a rough outline of what Commander Edwards said?

**Mr. Ballam** No, I will not say what Commander Edwards said to me. It was off the record, a conversation while we were walking the streets. But Commander Edwards was in Newfoundland years ago and spent four days on the Gaff Topsail stuck in the snow, and he has been down around the lighthouses and wireless stations, and you know half of these things in Newfoundland are looked after by the Canadian government. He is the Deputy Minister of Transport, and what he said to me was just between ourselves and is not on the record, and I would not repeat it here.

**Mr. Cashin** But Mr. Ballam, did I understand you to say that this ship or ferry that they are going to put on the Gulf is going to cost \$2.5 million?

**Mr. Ballam** Yes, but that's a small one to start. They have a \$6-7 million one at Prince Edward Island; but it would be foolish to build a big one and put it on the Gulf when we have not the cars, etc. We hope to have a road from Corner Brook to Port-aux-Basques by the time this ferry is built, and we will look after our own affairs after that; but if you fellows get wise enough to build a road all across the country then we will have a \$7 million ferry!

**Mr. Smallwood** Could we go on to clause 17?

**Mr. Chairman** Are the members ready to proceed?

**Mr. Smallwood** Clause 17: *Government Employees:*

(1) 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, but without reduction in salary or loss of pension (superannuation) rights acquired under Newfoundland law.

(2) Canada will make all necessary payments in respect of such pension rights and may deduct from any subsidies payable to the Province of Newfoundland any payments made in respect of pensionable service of such employees with the Government of Newfoundland.

(3) 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 don't know that there is a great deal of explanation called for there....

**Mr. Higgins** May I query you a little on that before you go further?

**Mr. Smallwood** Certainly.

**Mr. Higgins** Are employees of the Newfoundland Railway and the radio broadcasting system, using two illustrations, employees of the Government of Newfoundland, or employees of these corporations?

**Mr. Smallwood** I think in this clause there is no doubt whatever about it. "Employees of the Government of Newfoundland in services taken over by the Government of Canada, as provided in Clause 5 above", and they are listed in clause 5 above. What are these? The Newfoundland Railway, the public radio broadcasting system, etc.

**Mr. Higgins** But they may be employees of the government.

**Mr. Smallwood** They are employees of the government, and they are defined in both...

**Mr. Chairman** I would remind you, Mr. Higgins, that the corporate status that the Railway possessed up to 1934 or 1935 was taken away when all the assets of the Railway were, by special act, vested in the Commissioner for Public Utilities...

**Mr. Higgins** Are all these employees now regarded as civil servants?

**Mr. Chairman** No, not civil servants. It is rather difficult. For example they are not exempted from jury service as the ordinary civil servant would be, but in all other respects they are definitely government employees, because the Railway is a utility owned and operated by the government, and they have not even bothered to superimpose upon the railway operation the status of a corporation. In the case of the Newfoundland Broadcasting Corporation, however, that is something entirely different. I do suggest to you that the employees of the Newfoundland Railway could be, I don't say would be, could be government employees, when employees of the Newfoundland Broadcasting Corporation would