

peared to be somewhat low. At this point there was considerable discussion with regard to expenditure on capital account by the railway in recent years such as purchase of new rolling stock, re-railing and other improvements, building of bridges, setting up of stocks of supplies etc. Reference was also made to the loan of approximately \$1,250,000 to the Railway by the Newfoundland Government and to the Railway Renewals Fund. At the request of the delegation Mr. Russell undertook to prepare a brief on these matters and to include therein his recommendations, as to the extent to which the Canadian Government should compensate the Newfoundland Government therefor at the time it assumes control of the railway.

(v) Steamships

It was agreed that it would be difficult to justify a claim for payment on account of the "Cabot Strait" in view of the fact that the vessel was in operation at the time the Terms of Confederation were first being discussed. Mr. Russell pointed out that the number of vessels operated by the Railway was 11 and not 19 as stated in this section. The Clarenville ships were not owned by the Railway but were merely operated on a commission basis for the Newfoundland Government.

PENSIONS

135. In view of the fact that employees of the Newfoundland Railway were not entitled to any pension "under Newfoundland law," it was agreed that the wording of Clause 17 of the Grey Book should be amended so as to ensure that the provisions thereof would be extended to them. It was also agreed that an endeavour should be made to have Canada assume responsibility both for the payment of pensions to employees of the Railway already superannuated and also for payment of pensions, in the case of future pensioners, in respect of the part of their pension which relates to services with the Newfoundland Railway prior to Confederation. Mr. Russell was asked to consider this matter and submit any recommendations he may wish to make regarding it.

136. Mr. Crosbie asked if a similar undertaking could be obtained from Canada in the case of other services to be taken over.

SHIPMENTS OF FISH FROM HALIFAX TO WEST INDIES

137. Mr. McEvoy stated that Maritime exporters shipping fish from Halifax to the West Indies can land fish in the West Indies at \$1.00 per quintal less than Newfoundland exporters. He considered that an effort should be made to have this service extended to Newfoundland so as to place Newfoundland on a comparable basis with the Maritimes.

... The meeting adjourned at 1.00 p.m.

J. G. CHANNING Secretary

Confirmed. A. J. WALSH Chairman