

*Grants to Newfoundland*

The dominion-provincial conference to which I referred a minute ago only confirmed that we have made very little real progress toward genuine national unity. Such unity as we appear to have is more glitter than gold, more shadow than substance. It may appear genuine on the surface, but if we are honest we must admit it does not run very deep; our divisions are still very real. They arise primarily out of mutual suspicion and mistrust.

**An hon. Member:** Caused by the Liberals.

**Mr. Carter:** There was distrust of the motives of the two Canadas when they approached the maritime provinces and held out to them this vision of a Canadian nation. This distrust, unhappily, has been confirmed over and over again by the actions and attitudes of the central provinces during the past 80 years. Hon. members who have been indoctrinated with the myth that the poor down and out Atlantic provinces sought union with Canada for their own benefit may be surprised to learn that it was Canada, and not the maritimes, who made the first approach. These are historical facts. The reasons are quite clear. The maritimes could get along without Canada, but for central Canada confederation was an absolute necessity.

To refresh our minds let us go back in history to the period in which confederation first took place. At that time the British North American colonies were divided into two isolated groups separated by hundreds of miles of uninhabited wilderness from Upper and Lower Canada in central Canada to the maritime provinces on the eastern seaboard. The minister yesterday made this statement, and I am reading now from page 5903 of *Hansard*:

—does anyone doubt that honourable solutions of fiscal problems between the provinces and the dominion after that date will be earnestly sought? This is the way the Canadian confederation has worked, and in the view of the government this is the way the Canadian confederation will work in 1962 and in the years to come.

This, sir, is precisely the point. We do not want confederation to work—at least I do not want confederation to work—in the years to come as it has worked in the years gone by. We want to learn from our mistakes, not repeat them. As I said, the Canadas were separated from the maritimes and to their south was a new, vigorous and prosperous nation, the United States, which had come into being 100 years before. This nation had broken away from the mother country and the crown to which the British North American colonies owed allegiance and appeared to take it for granted that sooner or later the British North American colonies would seek union with them. The hostility

between the United States and Great Britain engendered by the American revolution was renewed by the American civil war which was going on at that time and in which Great Britain sympathized openly and assisted the cause of the southern states.

It was natural that this hostility should overflow toward the British colonies. The British government had learned from bitter experience in the American revolution how difficult it was for their regular armies to wage war in the North American wilderness—

**Mr. McGrath:** Will the hon. member permit a question?

**Mr. Carter:** —and was deeply conscious of their inability to defend their North American colonies from a concentrated attack by the United States. They were anxious, therefore—

**Mr. McGrath:** Will the hon. member permit a question?

**Mr. Carter:** I will permit any questions you want to ask after I am finished.

**Mr. McGrath:** I want to know what relationship this has to the bill?

**Mr. Carter:** You wait a minute, and you will find out. The British government was very anxious that the North American colonies should take some responsibility for their own defence, and to do this some form of union between them was necessary. It was in this setting that the British North American colonies found themselves in the year 1864, and for the benefit of my hon. friend if he cannot contain his patience, I refer to this because it affords an interesting parallel between the experience of Newfoundland and the experience of the other maritime provinces since confederation.

In 1864 the maritime provinces began taking steps to form a confederation of their own. It was a propitious time. The maritime provinces were enjoying unprecedented prosperity based on their shipbuilding industry, their shipping industry and a lucrative foreign trade.

They had developed sound economies with both Nova Scotia and New Brunswick budgeting for surpluses of nearly half a million dollars. That is not exactly hay even in these days, but in those days it was something relatively huge. With their public debt of about \$13 per head, their financial position generally was sound and capital was flowing in to develop their natural resources. Mines were being opened up, manufacturing industries were being established and prosperity was growing. Recognizing the threat to their security and bearing in mind that union had brought prosperity to the colonies in the