

Government Orders

break that federal agreement the same as if it was breaking our Constitution.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I get the distinct impression that my good friends, the ministers of energy and of health, are about to tell the House some good news. Why else would they be in such a jovial mood? Surely they take no comfort in what they are doing in this particular bill.

My friend from Carleton—Charlotte, inadvertently I am sure, misrepresented an important issue. In responding to the previous speaker the gentleman from Carleton—Charlotte, in talking about transfer payments which are payments in respect of established programs, made a statement about how three provinces were supporting seven provinces.

First of all, I suspect he was confused with the mechanism under another program, the equalization mechanism, whereby certain provincial treasuries receive certain moneys from the federal government, depending on their economic situation. So his comment did not apply to the right program. Even if it had, if he were upfront talking about the matter of equalization, which he was not but if he were, I say to him that he was badly misrepresenting that situation as well.

Nobody in this country, no province has to carry any other province on its back. That is not what equalization is about at all. Equalization allows certain taxpayers in certain parts of the country to have their money spent in other parts of the country, in other provinces.

For example, in my own province of Newfoundland and Labrador, why could a case be made for equalization? Why should taxpayers in two or three other provinces of Canada be sending money down to Newfoundland and Labrador?

Maybe it has something to do with the fact that in 1949, when Newfoundland joined Canada, one of the items it was obliged to sacrifice was its manufacturing base. It was a small base, but we did manufacture a number of items. As a result of the instrument that brought about Confederation, that manufacturing base and the jobs that go with it were wiped out.

I will give the House a related example. Prior to Newfoundland's joining Canada in 1949, we had a very thriving processed fish industry, particularly in the salt-fish sector. We had a very thriving, vital saltfish sector with markets in many parts of the world. We exported everything to other countries.

In the terms of agreement between Newfoundland and Canada in 1949, minutes of the negotiating sessions between the two teams, the team representing Newfoundland on the one hand and Canada on the other, the negotiations leading up to the joining of the two countries as one in 1949, clearly show that the whole processing of fish sector was jettisoned as part of the agreement between the two countries.

• (1530)

What was the trade-off? Maybe the first question that ought to be asked is: Why was that done? The reason it was done was very simple and very explicit in the dialogue of that day. Some of the provisions allowed that manufacturing base to thrive in Newfoundland, and in particular allowed that fish process operation to thrive in Newfoundland before Confederation. Some of the parameters that allowed these two industries to go forward and thrive in Newfoundland prior to Confederation had implications that suggested they might threaten the manufacturing base of central Canada. It was not that we were going to take over its manufacturing market. We are not saying that. If I had time I could be more detailed and more specific, but allow me to say now, Mr. Speaker, that at that particular time the lobby of central Canada, Ontario and Quebec, was successful. As a result we were obliged to say goodbye to a couple of the sectors of our economy that had served us very well.

If we are going to buy into a deal like that there had better be some trade-offs, and the trade-off in a word was equalization. As one Newfoundlander I do not believe I have to stand here 43 years later and apologize for taking something that was provided for in 1949 to address a particular grievance, to address a situation that was not of our making in the first place.

We joined this country with our eyes open and quite willingly. When we joined in 1949 we were not the basket case, the bunch of welfare bums that we are misrepresented to be some days around here. We were a country in the black. We had a bank balance, which is more than I