

*Grants to Newfoundland*

review takes place, consideration will be given to the matter. On the basis of the experience of the past of the degree to which we have increased the amount of contribution to the province, what do we find? In the period since 1956-57 to date the amount of contributions and payments to all provinces of Canada has risen from \$689 million in 1956-57 to an estimated \$1,212 million this year.

**Mr. Pickersgill:** May I ask the Prime Minister a question?

**Mr. Diefenbaker:** Yes.

**Mr. Pickersgill:** Why does not the Prime Minister give the figure for 1957-58?

**Mr. Diefenbaker:** I beg the hon. member's pardon?

**Mr. Pickersgill:** Why does not the Prime Minister use 1957-58 for purposes of comparison? All the payments for 1957-58 were provided by the previous government.

**Mr. Diefenbaker:** I took the last year in which the former government was in power.

**Mr. Pickersgill:** The Prime Minister does not do so for the obvious reason.

**Mr. Diefenbaker:** I took 1956-57 up to March 31. It was three months thereafter before we came into power. For that reason I gave the figures in question. As a matter of fact, if the hon. gentleman wants to continue until March 31, 1958, for the first year that we were in power, 1957-58, the amount was \$853,700,000. In the ensuing two years that amount has been increased by \$300 million, from \$853,700,000 to \$1,212,500,000 which in no way spoils the record.

**Mr. Pearson:** What is a hundred million?

**Mr. Diefenbaker:** My hon. friend says "What is a hundred million?" He used to have a mentor who said, "What is a million anyhow?" The Leader of the Opposition increased that amount by \$99 million.

**Mr. Martin (Essex East):** What about the \$617 million deficit?

**Mr. Diefenbaker:** My hon. friend says, "What is \$17 million?" Apparently these gentlemen are complaining about the millions we are providing.

**Mr. Martin (Essex East):** No. I said what about the deficit of \$617 million.

**Mr. Diefenbaker:** Oh, Mr. Speaker, these hon. gentlemen—

**Mr. Martin (Essex East):** I know what the Prime Minister will say.

**Mr. Diefenbaker:** We dealt with that matter over and over again.

**Mr. Martin (Essex East):** You always have an insult.

**Mr. Diefenbaker:** The hon. gentleman mentioned "insult" Mr. Speaker. Where is the insult in stating facts? Ever since this session began—and I say this in view of the fact that they speak of insults—there has been an apparent effort on the part of my hon. friends opposite at all times to use that method against me personally, but you never hear any objection. Yet when you tell them the truth, it is an insult in their vocabulary.

I am now going to refer to the statement which I made in the course of a television speech which sets out the viewpoint of this government as to Newfoundland. I said:

In the case of Newfoundland there has, I am sorry to say, been some misunderstanding—but differences arise even in the best of families.

My friend the Leader of the Opposition laughs. He will remember what Mr. Smallwood said.

**Mr. Pearson:** What did he say yesterday?

**Mr. Diefenbaker:** I continue:

Let me say at once that I believe that we can and will resolve these differences in that spirit of understanding, common sense and compromise which has been so characteristic of the Canadian confederation from its very beginning.

Then I went on to point out that the equality of each province exists as a right. I said:

That equality exists as a right of our newest province's membership in the Canadian confederation. It is the earnest hope of my government that the differences may be settled as quickly as possible so that we may get together, and achieve together the raising of the general standard of living of the province and its people to that which we covet for all Canadians.

That is the attitude in which we have placed this legislation before the house. We start with the foundation of the words of Mr. St. Laurent. Mr. Smallwood naturally contends that the amount should be \$15 or \$17 million, in spite of the fact that he has obtained \$7.5 million more than he would have obtained if the former government had remained in power for the three years. He also contended that there should be a review. We have provided in the meantime for the \$8 million recommended. We have also made provision for a review to the end that, in the light of the circumstances then existing, we may be able to achieve by such further action and subsidy as is necessary the attainment of that equality to which I have referred.

I would point out that in all the other provinces there have been changes. The