

*The Address—Mr. W. J. Browne*

When I tell hon. members of the difficulties we have they say, "You just came in in time to get the benefits of unemployment insurance and family allowances." This matter is very serious for us. As the great advocate of confederation said, "We must produce or die." We cannot live on social benefits. The government of this country must recognize that the terms were inadequate. We do not desire to have to wait forty years as Nova Scotia had to wait until 1907. Listen to what Sir Wilfrid Laurier said when he introduced the amending legislation on March 25, 1907, and I quote from column 5297 of *Hansard* of that date:

The experience of forty years has brought this fact again and again to the attention of the parliament and the people of Canada. If I needed any evidence in support of that assertion, I might remind the house, that not once, nor twice, nor thrice, but periodically and systematically parliament has been asked, at almost regular intervals, to vote in favour of now one province and now another province, appropriations far in excess of anything that had been stipulated in the British North America Act; and, every province which has since joined confederation has entered upon terms in excess of the terms provided for in that act.

Whether we entered on terms in excess of those provided in that act, we did not enter on equal terms. There is a great necessity to have those terms ameliorated unless we are going to duplicate the sad history of Nova Scotia. The royal commission known as the Duncan commission when making its report in 1926 said that the representatives of the federal government were overweighted with fear when they went to deal with this question; they were afraid of what someone in Manitoba, Saskatchewan or British Columbia was going to say. But they should have no fear when they are going to deal out justice.

They must know that there is a minimum below which the provincial government cannot possibly carry on. That government is now bringing in new social benefits in the way of mothers' allowances and allowances for crippled people, such as they have in Nova Scotia, I believe, and such as were brought before this house in the form of a motion asking for the opinion of this house at the last session. They are doing that in Newfoundland today. I am afraid they are more enthusiastic about the welfare state than the Minister of National Health and Welfare (Mr. Martin). In addition to that they are trying to promote industrial development as I have said already.

There is another matter that must be considered by Newfoundland, a matter coming under the Minister of Resources and Development (Mr. Winters). I refer to the trans-Canada highway. Much of our country is unpopulated and when you have a stretch of highway going 500 miles across such a country it will take a large sum to keep it

up. Where is the revenue going to come from to keep up that new road? It is not going to come in immediately and the provincial government will be faced with further difficulty. Any proposition that is made to the province will require their consideration of what is going to be expended and where the revenue will be obtained. With dwindling employment and revenue how can the province keep this new amenity in repair as it should be kept?

The present revenue with the addition of the transitional grants is insufficient to balance the provincial budget by several millions. This year there will be a deficit of between \$8 million and \$10 million which will have to be drawn from the surplus. Under the British North America Act, Nova Scotia was promised the Intercolonial Railway, but it was built 250 miles longer than was needed for strategic reasons. I believe that is one reason why freight rates to the maritimes have been reduced below what they are in other provinces.

I do not want Newfoundland to have to bear a burden which it cannot bear, and I believe that is the situation today. When the surplus runs out the provincial government will quickly find out that they must come here, as they have had to come for many things which were not properly set out under the terms of union. While the situation is not desperate at the present time, it is very serious and urgent. I submit that this is the first test of the good will and sense of justice possessed by members of the federal government.

All down through the years since the railroad was built we carried goods across the strait from North Sydney to Port aux Basques free. What goods were carried? Canadian goods were carried without any subsidies whatsoever. Last year before confederation we bought \$55 million worth of goods from Canada while Canada bought only \$10 million worth of goods from Newfoundland. As my hon. colleague said, formerly we had a favourable balance of trade with the United States of over \$25 million which has now been diverted to Canada. Canada's trade has been increased by \$40 million. I am quoting him as my authority for that. I do know that a large quantity of that United States trade has been diverted to Canada. That will bring benefits to the central provinces. Therefore I think it entitles us to some consideration on the question of freight rates that is now before the government. In addition to that, there are special geographical and other considerations such as the narrow gauge track which should be considered in our favour as a reason for giving us extra benefits so far as freight rates are concerned rather than as a penalty whereby we will have to pay higher rates than are paid in the maritimes.