

Supply—Northern Affairs

and as few if any electric stations operated by coal will ever be built in Newfoundland your present offer in that regard is of no very great importance to this province.

That, of course, was the subject of some rather lengthy debates during the last parliament, and I may add that my view is quite unaltered. On another occasion I will probably have something more to say about this matter, but I do not propose to hold up the minister's estimates today in that regard. But the premier of Newfoundland made a new request in this letter—a different request—and in the second part of the letter he said:

From your studies of Newfoundland you must be aware that our population, though fewer than half a million in number, are to be found in more than 1,000 different settlements, and that these settlements are situate in the great bays which constitute the 6,000 miles of our coastline. This means that our people are very scattered in settlements that are considerably removed from each other in distance. Even in cases, therefore, where surplus electricity is already being generated, which surplus electricity could be moved by transmission lines to certain bays, there still remains the terribly difficult problem of building distribution lines to link up these settlements; and within the settlements to link up the scattered houses wanting electricity.

There was a reference to a meeting being held, and then Mr. Smallwood said:

I suggest that you announce at this meeting tonight your willingness to ask the parliament of Canada to amend your legislation, passed in January, in such a way as to give the same financial assistance for these distribution lines as you have already so generously offered for transmission lines.

Then there is a different suggestion:

On the other hand, if you are not prepared to make this concession to Newfoundland we would be pretty well satisfied if, by administrative or executive decision, or by amendment to the legislation if necessary, you would provide that when a transmission line is built from the power house to the main centre of a bay, where that same line extends from that centre from settlement to settlement, cove to cove, within that bay or area, the extension itself will be treated as though it were the same transmission line continued from the main point in the bay or area.

That is all I think it is relevant to read from the letter, but I should like to read from Mr. Clark Davey's report of the meeting at which the Prime Minister made this letter public. It appeared in the *Globe and Mail*. I have a lot of other reports, but this appears to be a pretty accurate one, and here is what the Prime Minister said then about Mr. Smallwood's request. I will not read the other and more political comments he made.

Without really giving away anything, Mr. Diefenbaker said he would take Premier Smallwood's request for federal assistance to power distribution lines, in addition to the high voltage transmission lines already covered, under serious

consideration. If federal economists think it workable within the general plan, he added, the request would get the most possible consideration in the next parliament.

That, I suppose, was posited upon the Prime Minister's success at the polls which we cannot gainsay and I hope the minister when he replies will tell us what the result of that consideration has been. I know the minister's colleague, the hon. member for St. John's West, has repeatedly said that these distribution lines are already covered. Indeed, he kept saying that all during the election campaign. If that is the minister's view—that they are already covered and that assistance is already being given, as his colleague has repeatedly said—then this matter does not require any further consideration. But it would appear to me that the minister is probably of the same opinion as he was in the last parliament, and that that is not his opinion. I very much hope it is, however, and I would be delighted, and so would almost everybody else, at least in the outports of Newfoundland, if the minister would come forward and say that the government is prepared to give the same assistance for hydro plants as they are prepared to give for thermal plants.

So much for that subject. I want now to say just a word about the roads to resources program that the minister has announced.

An hon. Member: And this wasn't supposed to be a speech.

Mr. Pickersgill: I think this is a good and constructive step, but there is one very great difficulty about it and about every other proposal made by the federal government for a 50-50 distribution of costs. That 50-50 distribution of costs makes it comparatively easy for wealthy provinces with a high taxable capacity, such as Ontario and British Columbia, to accept and exploit to the full, if they wish to do so, the offer of the federal government, without throwing any great burden upon their taxpayers. But in a province such as Newfoundland or Nova Scotia or New Brunswick, or even, to some extent, in the minister's own province of Saskatchewan where taxable capacity is very much lower, these 50-50 offers are really of very much less value in terms of real assistance and in terms of equality and I hope that in time the minister will try to influence the Minister of Finance and the Prime Minister to introduce some formula more nearly resembling the equalization formula in cases where assistance is offered.

This was done in some measure by the hon. member for Essex East when he was in office in introducing the hospital insurance provisions which are not operated on a 50-50