

*Grants to Newfoundland*

clauses in the preamble which I feel deserve very great consideration. The hon. member for Bonavista-Twillingate, who is a law student, said this afternoon that the preamble has no legal effect. I think the lawyers in this house will disagree with him because, especially in a bill such as this, the preamble is of the utmost importance. It has legal effect, and will be so recognized in a court of law. The preamble deserves to be read, at least the two principal sections. It says:

Whereas since the report of the royal commission was made, the government of Canada has proposed a comprehensive study of dominion-provincial financial relations in co-operation with the provinces, and all the provinces have agreed to participate therein;

That is all the provinces including Newfoundland.

Whereas in the course of such a review any special circumstances relating to the financial position of the province of Newfoundland after the 31st day of March, 1962, would be taken into consideration;

It seems to me, Mr. Speaker, that this is much more definite than term 29 which contained the obligation of establishing a royal commission to make an investigation. Here the government pledges itself to take into consideration the special circumstances that would exist in Newfoundland after March 31, 1962. Opposition speakers do not seem to be able to get away from the provisions of term 29, and yet it was admitted here by several of them that the legal obligations established by the term had been fulfilled. We have now moved to another stage of the fiscal relationship between the dominion of Canada and the province of Newfoundland. It is admitted also that the federal government is doing its duty in fulfilling this recommendation up to March 31, 1962. We are making the payments which the royal commission recommended should be paid up until that time.

Opposition speakers, however, had little or no faith in the provisions for review to which I have referred. This is a review in which Newfoundland is able to bring forward any special circumstances, and I propose to elaborate on those as I go along. I listened to the hon. members on the other side of the house yesterday and today and, with the exception of the hon. member for Assiniboia (Mr. Argue), most of them were full of dire forebodings about what was going to happen in Newfoundland after March 31, 1962. The hon. member for Bonavista-Twillingate (Mr. Pickersgill) went further than his colleagues and he almost said, he certainly insinuated, that he did not trust the government. He said the same thing today,

[Mr. Browne (St. John's West).]

that he did not think the government should be trusted in connection with the provision that is contained in the preamble.

I was a member of the house of assembly of Newfoundland between 1954 and 1957, and I had a good many opportunities of hearing at first hand some of the views which the premier of Newfoundland held in regard to the terms of union, and indeed to some members of the federal Liberal government as well. But I resigned my seat and came up here because I thought that I could assist my colleagues when we were in opposition in demanding better terms from the government and if, as was likely going to happen, we were returned then our government would give better terms to the people of Newfoundland. I feel we have done so, and I think I can show that. I believe it can be easily shown that the government can be trusted to do what is right in the future and that already the government has done far more for Newfoundland during the two years it has been in office than was done during any similar period when the previous government was in office.

It is inevitable, I suppose, that we should have this discussion on term 29. It is a pity it did not take place before the terms of union were signed. But, Mr. Speaker, I have here all the debates that took place in the House of Commons, in the committees, in the Senate, and its committee, in the House of Lords in England and in the House of Commons in England, but I could not find a reference to term 29. It was not until it was drawn to my attention that the prime minister of the day, Mr. St. Laurent, had made a reference to it in the course of a long speech that I came across his statement.

This statement, of course, has been quoted here several times and is very illuminating on the attitude which the government must have taken at that time in regard to term 29. Why did this term 29 to which so much importance is now being attached escape the notice of the members of the House of Commons, the members of the Senate and other places when the matter was being discussed? Was it because they all took for granted the interpretation which the prime minister of the day, Mr. St. Laurent, had placed upon it?

In order to give some hon. members who were not here a proper perspective of the subject we are discussing, I should like to be permitted, for a few moments, to sketch in some of the background of this whole business. There have been some references, one by the Leader of the Opposition (Mr. Pearson), to an agreement between two sovereign nations, and many hon. members may not appreciate what really happened in 1949.