

Grants to Newfoundland

levels and standards of public services. Here was a chance for generosity and sympathy. The way many thought the government of Canada would allay our dissatisfaction would be to take the bare bones of the contract and breathe the breath of life into it and make it a warm and living thing. What they actually did to allay our dissatisfaction was to take our contract, tear it into pieces and throw it back in our face. It was a gross betrayal.

Legalities have been mentioned but more than legalities are needed. If I understand history correctly nations are not built on technicalities. Nations grow in strength and greatness because of a union of hearts, and because of mutual understanding and aid between the various peoples who make up the whole. The measure of a nation's destiny can be gauged by the greatness of the comprehension of the peoples and their leaders of the mutual interests involved.

In term 29 the nation of Canada and the people of Newfoundland pledged their mutual faith in each other and left it for other people of similar goodwill to complete the union which they had begun. It is a pity that this final part of the creation of a mighty modern nation which should be a bright moment in its history should be tarnished by bad faith. It is degrading to see those who are walking with history attempt to reduce a great moment in a nation's development to the lowest common denominator in dollars and cents.

But the final act is not yet over. The time will come, and come it will, when those of us on this side of the house will be in a position to rectify this wrong being done today and justice will be done to the province of Newfoundland by a Liberal government of the future.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, we have before us Bill No. C-72 which in my opinion is a complete and definite denial of the constitutional rights of Newfoundland. I said yesterday and I repeat now that term 29 gave to Newfoundland some special rights under the terms of union. I say that it was a special term because it was an agreement made between two countries. My friend the hon. member for St. John's West (Mr. Browne) quibbles about whether or not Newfoundland at that time was a sovereign country, but at least Canada and Newfoundland were two separate countries within the British commonwealth and had the right to make an agreement as to union between them. I believe that those terms of union which included term 29 represented a solemn declaration between two separate countries to enter into a union.

I believe that term 29 is an agreement altogether different from any entered into between the central government and a province, after Newfoundland became a province. If we examine the tax agreement contained in article 27 of the terms of union of Newfoundland with Canada we find there are five subsections. The first begins with these words:

The government of Canada will forthwith after the date of union—

The second begins:

The offer to be made under this term—

The third begins with these words:

The offer of the government of Canada to be made under this term—

The fifth commences:

If the province of Newfoundland enters into a tax agreement—

In every case with one exception we find that the agreement entered into between the central government of Canada and the province of Newfoundland as regards tax agreements refers to that period after Newfoundland had become a province of Canada. Term 29 was a different agreement altogether. I believe it was a solemn undertaking between the two parties and if any change is to be made in term 29 it should be made by agreement between the two parties.

I listened to the Minister of Finance (Mr. Fleming) yesterday and today as he talked about the fairness and the fair play which he would like the government to give to Newfoundland. I believe he was sincere. I heard the Prime Minister (Mr. Diefenbaker) use the same argument. I think he was sincere but I want to point out that the concept of fair play, surely, is not all on one side. I believe that if the two parties concerned in this agreement were to get together now or in the future it would be found that both parties have a concept of fair play which would result in a proper decision being reached between the two parties; but in the present situation we have a unilateral action taken by the government which destroys, eliminates and extinguishes this special right that was given to Newfoundland in the terms of union.

Yesterday the Minister of Finance in his opening remarks placed on *Hansard* at page 5901 a table showing all the payments that had been made to Newfoundland from the year 1949 to the estimated payments for 1959-60. To place only this table on *Hansard* may very well leave the impression in the minds of some people that these were special grants and that no grants under similar headings were made to other provinces. But what I would like to see here, and I would hope that during the committee stage the Minister