

*The Address—Mr. W. J. Browne*

the east the minister of fisheries and co-operatives said that the island was eighty years behind the rest of Canada. That is because Newfoundland did not have the advantage of the great industries in the central provinces from which to draw its taxes. It was unable to have the same developments that took place in Canada. But now that we are a part of Canada we should have the means to have these things carried on.

One outstanding fact, Mr. Speaker, is that Newfoundland's economy has deteriorated during the past twelve months more rapidly than that of any other province of Canada. I would not attempt to say that it should be attributed to confederation, although it is partly due to that fact, as I shall show in a moment. We who opposed confederation foresaw it. We warned the people about what was going to happen, especially in St. John's, and it is recognized by all Liberals and Conservatives now that what we said was true. I suppose the Liberals knew then that it was true. The factories in St. John's cannot compete with the great factories in the central provinces, and so they have had to close down. By November eight of them had closed down, and when I left one was going on short time, two days a week. It will be only a matter of time when it will have to close down unless something happens to help them.

That is not a very bright picture for those of us like my hon. friend and the hon. member for Trinity-Conception (Mr. Stick) and myself who were born and bred in that city and who have spent so much of our lives there. It is hard for people to see the factories closing down and to see work coming to a standstill. We have a regard for that city. It has a great history behind it. It was the first place in the new world where European sailors dropped anchor. Six years before the Spanish Armada, Sir Humphrey Gilbert claimed it for the English crown. Before Cartier came up the St. Lawrence he visited Newfoundland. Before Champlain, before Maisonneuve, fleets from Spain, Portugal and England mingled together in the harbour of St. John's. It has a long and interesting history. It played a prominent part in the Napoleonic wars, in the war of American independence, in the war of 1812, and in the last great war it was the chief base of the Royal Canadian Navy. That is a fact that I should like to bring to the attention of the members of the government and ask them not to overlook it.

The present government of Newfoundland inherited a wonderful legacy of over \$40 million, but I do not think that the federal

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government should assume that that is going to last forever. The provincial government is trying to put their province on the same basis as the other provinces in regard to social benefits. That is what they are doing, and they are working with feverish energy and zeal to make the country prosperous, but that money will not last forever. With the diminishing transitional grant they will be faced with what I consider to be the insuperable problem of trying to balance the budget with expenditures on a par with those of the maritime provinces when there is so much unemployment in the country.

The terms of union contain a provision, section 29, which I should like to draw to the attention of the Secretary of State for External Affairs (Mr. Pearson), who had something to do with drafting them:

29. In view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a province of Canada, the government of Canada will appoint a royal commission within eight years from the date of union to review the financial position of the province of Newfoundland and to recommend the form and scale of additional financial assistance, if any, that may be required by the government of the province of Newfoundland to enable it to continue public services at the levels and standards reached subsequent to the date of union, without resorting to taxation more burdensome, having regard to capacity to pay, than that obtaining generally in the region comprising the maritime provinces of Nova Scotia, New Brunswick, and Prince Edward Island.

I consider that the presence of this section in the terms of union is evidence of the good will of the government of Canada, and shows a recognition of the problem that has now come to the forefront. To set up a sound economy in Newfoundland, agriculture must be fostered and developed. At the last session I asked the Minister of Agriculture (Mr. Gardiner) whether he would do all that he could to assist Newfoundland to get its agriculture on its feet. So far as I know, not very much assistance has yet been given; but I am going to plead with the minister now because agriculture is the most important thing in Newfoundland.

We cannot eat all the fish we catch, but we can eat all the agricultural products that we produce. During the past season we have had many ships from the neighbouring provinces come down there to sell their produce. They peddled their produce from cove to cove and harbour to harbour around the island. I know they have great surpluses of potatoes in the maritimes—100,000 tons, I was told in Prince Edward Island—and they can bring them very cheaply across the short neck of water over to Newfoundland and sell them around. But if Newfoundland is not to be encouraged to develop its own agriculture