

or less, I fear for what may happen to the unity of this nation because this, I think, is at the bottom of disunity more than anything else.

Hon. Malcolm Hollett: Honourable senators, it was not my intention to say anything on this particular bill, but since 11 o'clock we have been flying so high in the thin air of high finance I thought if I said a few words it might bring us back down to the more mundane things of earth.

I congratulate Senator Crerar and also the other honourable senators who have spoken so well. I am quite sure they have given enlightenment on this serious problem of high finance, and the facts just given to us by Senator Crerar must cause us all to pause and to consider just where we are heading.

I wish to refer briefly to clause 3 of the bill. Yesterday, apparently I had the audacity to ask certain questions relative to that clause and somebody in the house implied that I had some ulterior motive.

Hon. Mr. Choquette: No, no.

Hon. Mr. Hollett: I want to correct that implication. I have no ulterior motive at all. But as I said a moment ago, I want to bring us back to the mundane things of this world, and particularly to the provisions of clause 3. It says:

In addition to all other payments, grants, subsidies and allowances payable to the Province of Newfoundland, the Minister of Finance may, out of the Consolidated Revenue Fund, pay an annual grant of eight million dollars to that Province in the fiscal year commencing on the 1st day of April, 1967 and in each subsequent fiscal year.

The wording is that "the Minister of Finance may"—not shall—"pay an annual grant . . ."

Now, we have seen some ministers of finance who were rather whimsical at times, and the payment of this \$8 million to the province from which I come depends upon the whim of the Minister of Finance for the fiscal year concerned. What I want to bring to the attention of the Senate is that it is not in keeping with the promise made by the honourable the Prime Minister in 1963, sometime prior to April 8, which I believe was the date of the election. That promise is contained in a beautiful advertisement—and I have kept a copy of the newspaper of April 8, 1963 for reference. All the promises made are outlined here by the Liberal party. Excuse my mentioning the party, but everything today is done on a partisan basis, so I do not find myself able to depart from it completely.

The reference is to term 29—some of you may and some of you may not remember what that term means. It is one of the Terms of Union which brought us into Confederation in 1949. I shall not read the term in full, although I have copied it out. The term stated that in view of the difficulties of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a province of Canada, and so on, the Government would set up a royal commission to determine how much financial aid would be necessary for Newfoundland so that it might carry on public services in the province without having to resort to taxation more burdensome, having regard to the capacity to pay, than that obtaining generally in the Maritime provinces.

That commission was set up, and, as honourable senators know, it recommended the payment of \$8 million a year. Then in 1959 the Prime Minister of Canada made a statement which aroused everybody in Newfoundland—some one way, some the other—and particularly did it arouse our premier. He went to the country on it, and got everybody into a terrific state. During that election campaign, and during the federal election campaign of last year, the promise was made that Term 29 would be restored. That is to say, there would be no question whatever about it; we would get the \$8 million a year indefinitely.

This is the promise that was made at that time:

Mr. Pearson will restore Term 29 to Canada's constitution, pass legislation—

And this is the legislation.

—providing that the \$8,000,000 a year to Newfoundland shall never be changed except by the free, willing and mutual consent of both Governments, the Government of Canada and the Government of Newfoundland. Thus will Newfoundland's solemn rights be restored . . .

I just want to bring to the attention of honourable senators that if section 3 of this bill is meant to carry out the promise that was made at that time—and there is no question that it was preached all over Newfoundland by our premier and all the other Liberal men and women who were advocating the election of a Liberal Government federally—and if this is the section in this bill that is to take care of that payment of \$8 million a year, then I say something has gone wrong. Something has gone very wrong. Either the Minister of Finance or the Prime Minister of Canada has had a terrific change of heart. They were going to restore it, and we were going to get the \$8 million in perpetuity.