

Grants to Newfoundland

Mr. Pickersgill: The Prime Minister has been waiting a long time for this day.

Mr. Diefenbaker: I am quoting from the *St. John's Telegram* of July 28, 1958 a statement concerning the McNair commission report attributed to the premier of Newfoundland:

I hope that the Diefenbaker parliament will study the recommendations and see fit to make the grant larger and provide for a future re-examination into Newfoundland's requirements.

Then, he went on to say this:

I believe our own royal commission is right, and that the McNair royal commission wrong. We can make the \$8 million a year do for the next few years but the royal commission set up to make recommendations under term 29 were not expected to look forward to a mere four or five years. They were expected to complete and finalize the financial terms. I hope that the government of Canada will not refuse, in the future, to re-examine the position in the light of further experience and its desire to live up to the true spirit in which confederation was born.

We have made provision for that in the bill which is now before the house in these words, something which the royal commission did not ask for, did not direct and did not recommend, something which the government of Newfoundland wanted, namely a review as to the circumstances. I am going to read those portions of the preamble set out in the bill which deal with our intention with regard to the future. When the Leader of the Opposition speaks of a breach of faith, let me quote him the words of Premier Smallwood regarding the findings of the royal commission. I shall also quote him in a moment some of the references to the former government and to the degree to which the former government had failed to discharge its responsibility to this new and great province of Newfoundland. Before I do so—

Mr. Pickersgill: Is that an excuse for you?

Mr. Diefenbaker: If the hon. member for Bonavista-Twillingate continues I will deal with the time he became a member over there and some of the promises made at that time and some of the eulogistic references he made to the premier of Newfoundland.

Mr. Pickersgill: I am rising on a question of privilege. If the Prime Minister can cite any promises of mines that I have not kept I should be very glad to have him do so.

Mr. Diefenbaker: Apparently I have already pointed out one.

Mr. Pickersgill: Go ahead and cite it.

Mr. Diefenbaker: If the hon. gentleman denies this I will accept his denial immediately. During the campaigns of 1953

[Mr. Diefenbaker.]

and 1957 did the hon. gentleman not say that there would be a review of Newfoundland's position?

Mr. Pickersgill: I will answer that question. To the best of my knowledge I never said any such thing.

Mr. Diefenbaker: I think that sentence could well end on nothing. Let me read on.

Mr. Pickersgill: What difference would it make, anyway?

Mr. Diefenbaker: I shall be referring to the hon. gentleman in a moment, if he persists, because the record is replete—

Mr. Pickersgill: I will persist.

Mr. Pearson: You had better find it.

Mr. Diefenbaker: —with observations that I think might find their place on the record if I were not dealing with this in an objective manner. Mr. Speaker, we say this:

Whereas both the government of the province of Newfoundland and the government of Canada have recognized the great difficulties inherent in determining future payments on an equitable basis from the experience of one selected year; and

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;—

And this is the important section:

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;—

Let me make this clear. In that review regard, and full regard, will be had to assuring those conditions inherent in section 29 being upheld to the end that Newfoundland shall enjoy a reasonable degree of equality of opportunity along with the other provinces in this country.

Mr. Pearson: That is not the terms of the bill.

Mr. Diefenbaker: That is the essence of confederation, and that is the essence of the principles upon which we believe that the spirit of confederation shall be maintained.

Mention was made by the Leader of the Opposition that in the last couple of days there have been some observations made in the province of Newfoundland respecting this legislation. I realize that there have been statements made. I am not going to enter into any competition in the matter of re-criminations. I am simply going to say that there have been exaggerated statements, statements which are not in keeping with a sense of full responsibility of the great issues that are inherent in this matter. Let my hon.