

Grants to Newfoundland

Mr. Pearson: He thought it was ungenerous and wanted more. You are giving him less.

Mr. Diefenbaker: The premier did not think very much of the findings of that royal commission. This is what he said, as reported in the St. John's daily *News* of September 6, 1958:

The work of the McNair royal commission was a dead loss and the commissioners were a dead loss.

Those are the words of the premier of Newfoundland.

Mr. Pearson: He wanted more money.

Mr. Diefenbaker: With respect to the commissioners he went on to say:

I recommended the appointment of some of them, God forgive me.

Those, too, are the words of the premier of Newfoundland regarding the royal commission which has been spoken of in such eulogies by the Leader of the Opposition—

Mr. Pearson: And by the Minister of Finance (Mr. Fleming) yesterday.

Mr. Diefenbaker: Those are the words of the premier of Newfoundland. Those are not my words or the interpretation of the Minister of Finance. Those are the words of the premier regarding a royal commission about which at the time it was set up the premier said the choice of personnel could not have been better. As a matter of fact he spoke of that royal commission in the most touching manner. He referred to the high qualifications and the great capacity of the membership. Let me refer to his words as reported on February 25, 1957 in the *Charlotte-town Guardian*:

A beaming premier Smallwood gaped for superlatives Friday to express his delight at the choice of members for the royal commission to review Newfoundland's financial terms of union with Canada.

Work of the commission, whose appointment was announced in the commons Friday by Prime Minister St. Laurent, would be "of absolutely terrific importance to Newfoundland," Mr. Smallwood told a press conference.

The future of Newfoundland's "standards and levels of services will be determined by the recommendations of the commission," he said. It would recommend "the form and scale" of additional financial assistance.

He then went on to say:

Commission chairman John McNair, Chief Justice and former premier of New Brunswick, was "long a personal friend of mine," Mr. Smallwood said. Mr. McNair was "a famous fighter for maritime rights and after we went in for Atlantic provinces rights."

John James Deutsch was "probably the most knowledgeable man in all Canada of federal-provincial affairs." He was "a great friend of Newfoundland—a man of great sympathy for Newfoundland."

Of Newfoundland Chief Justice Sir Albert Walsh, third of the three commission members, Mr. Smallwood said "Newfoundland could be searched from end to end and we would not find a better man to represent Newfoundland on this royal commission. He is thoroughly informed."

Those were his words at the time of the appointment. Let us go on and see what else was said regarding the McNair report. The premier went on to say, on September 6, 1958, after the findings were made by the royal commission, as reported in the *Ottawa Journal* of that date:

I'm glad that there was a change of government in Ottawa following the last federal election.

Simply because these findings have been thrown into such a favourable light by the Leader of the Opposition today does not mean that they were acceptable then to the premier of Newfoundland. As reported in the same press article, the premier referring to the commissioner, said:

You couldn't budge them. They practically mutinied when we tried to show them pictures of our institutions.

In other words the attitude on September 6, 1958, was an attitude of disappointment. The amount asked for, as I recall it, by the Lewis commission was \$15 million. The Lewis royal commission was set up by the province of Newfoundland to determine the whole question. The findings of the Lewis provincial royal commission as summarized at page 207 of the report are as follows:

1. That the government of Newfoundland is entitled to claim from the government of Canada an annual grant of \$17 million over and above all other federal grants as the additional financial assistance required under the explicit provisions of term 29;
2. That the said grant should be paid annually to the province of Newfoundland commencing in the fiscal year 1957-58; and
3. That the amount of the said annual grant should thereafter be subject to periodic review.

Mr. Pickersgill: Could the Prime Minister say what he is reading from?

Mr. Diefenbaker: I am reading from page 287 of the Lewis provincial royal commission report. What did Mr. Smallwood say? I will have a few references to make about some of the things he said about those who today pretend in opposition that they are the friends of Newfoundland. I am going to refer to some of the statements he made respecting the type of treatment given to Newfoundland even during the days of the government of which the self-adopted son of Newfoundland the hon. member for Bonavista-Twillingate (Mr. Pickersgill) was a member.

Mr. Pickersgill: Could I ask the Prime Minister a question?

Mr. Diefenbaker: I will be giving the hon. gentleman further attention in a minute.