

Grants to Newfoundland

the recommendations of the royal commission, without I repeat, any consultation with the other party to the agreement.

Mr. Fleming (Eglinton): There was consultation.

Mr. Pearson: The fundamental feature of the recommendation which is rejected is that which reads: thereafter \$8 million per annum until both parties agree to a change as a result of a review. The word "thereafter" does have a meaning. The minister says the government will make a review and perhaps make a change without any reference to the rights of Newfoundland to be consulted on the decision to be made after the review has taken place. Moreover, this promise, this commitment if you like, to review the situation is not even in the operative part of this bill, but is placed in the preamble to the bill. That, of course, is merely adding insult to injury.

So, we on this side will oppose this bill. Our party intends to stand firm on the commitments made and the obligations undertaken in the pact of union and at the time of union. We stand for carrying out that pact both in letter and in spirit. When the commitments of that pact are to be changed, that should be done not by arrogant imposition of federal decisions on a province but by consultation and agreement with Newfoundland. That, Mr. Speaker, is how we interpret what the Prime Minister calls a contractual obligation.

Finally, Mr. Speaker, when the responsibility is ours again we shall remove this injustice. We shall correct this violation of a contract and we shall make sure once again that the act of union is honoured in all its parts and is carried out as it must be carried out in letter and in spirit. When the people of Newfoundland joined their destiny and linked their history and added their glorious and honoured traditions to ours, they did not dream that ten years later the government of the other party to the contract would impose on them a decision, a settlement, without consultation with them; one, moreover, which does not carry out the recommendations of the royal commission set up under term 29 of the act of union and one which does not ensure that the obligations of that term will be carried out in the future through consultation and agreement between the two parties to the contract. For that reason I repeat that we shall oppose this bill as strongly as we can.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am not going to speak at any great length. However, certain statements which have been made by the

[Mr. Pearson.]

Leader of the Opposition (Mr. Pearson) deserve to be answered immediately.

Let me at once underline the fact that in so far as the Conservative party is concerned and in so far as this government is concerned we intend at all times to live up to the spirit of confederation and to carry out those terms which will assure a reasonable equality of opportunity everywhere in this land.

I am not going back to the beginning of the speeches that were made at the time of union but I want to underline once more a point that cannot be too strongly emphasized, that Mr. St. Laurent, the then prime minister, made it perfectly clear that the responsibility of the federal government under the act of union was the appointment of a royal commission. Although this has been placed on the record before, I intend to do so once again because the words that Mr. St. Laurent used are the words which are accepted by this government as representative of the proper interpretation to be placed upon article 29. At the expense of reiteration I shall read once more the words Mr. St. Laurent used as reported at page 289 of *Hansard* of February 7, 1949:

It was also provided that within eight years from the coming into force of the terms of union a commission would be set up to examine the situation anew, and to report as to whether or not the terms provided are working satisfactorily and are sufficient to bring about the object of equalizing the lot of the people of the new province with that of the people of the older provinces.

I emphasize these words that have been referred to previously. There is no undertaking to implement any terms of recommendation that may be made at that time by a royal commission. Those words are clear, unchallengeable and unequivocal. It is all very well in the light of subsequent events to apply principles to the interpretation given by the then prime minister. In the light of subsequent events those in the opposition endeavour to leave the impression that what they meant by article 29 was not the actual reading and the proper interpretation on the basis of the words used, but the interpretation which they today place upon the words of the undertaking entered into at that time when Newfoundland entered confederation. One would almost think there was something sacrosanct about the findings of the royal commission and that Newfoundland was in agreement therewith.

I am not here for the purpose of indulging in any way in recriminations with the premier of that province, but I want to say this. His views of that royal commission and its findings were certainly not in keeping with the grand and eloquent phrases used today by the Leader of the Opposition.