

Bill SD-283, for the relief of Jeannette Hatsedakis Haeck.

Bill SD-284, for the relief of Natan Grunstein.

Bills read first time.

SECOND READINGS

The Hon. the Speaker: Honourable senators, when shall these bills be read the second time?

Hon. Mr. Roebuck: Honourable senators, if there is no objection, I will move the second readings now.

Motion agreed to and bills read second time, on division.

THIRD READINGS

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: With leave, I move the third readings now.

Motion agreed to and bills read third time and passed, on division.

NEWFOUNDLAND FINANCES

REPORT OF ROYAL COMMISSION

Hon. Calvert C. Pratt rose in accordance with the following notice:

That he will draw the attention of the Senate to the report of the Royal Commission on Newfoundland Finances under the terms of Union of Newfoundland with Canada.

He said: Honourable senators, last week there was tabled in this house a report by the McNair Commission which was set up to gather facts and make recommendations with regard to the terms of Union as between the province of Newfoundland and the Dominion of Canada. The terms agreement was signed on December 11, 1948, by six appointed representatives of Newfoundland, one of whom was our colleague from Bonaville-Twillingate (Hon. Mr. Bradley). There were seven on the committee, but one refused to sign because he judged the terms were inadequate for the needs of Newfoundland. The signatories to the agreement on behalf of Canada were the Right Honourable Louis S. St. Laurent, Prime Minister, and the Honourable Brooke Claxton.

The revision of the financial conditions of the agreement was provided for in clause 29. The implications of that clause are well known to the people of my province. Naturally, they are not so well known here, so I shall now quote the clause:

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.

The general purpose was to defer for eight years consideration of a permanent form of federal financial assistance in relation to public services of the new province. Personally, I think the clause was altogether too circumscribed, because it just took for granted that in eight years' time the public services would be a permanent establishment and on a top-level of development. Enough thought, I feel, was not given to the fact that Newfoundland would then have been only eight years in the federal family, whereas most of the other members had lived together for eighty years.

For such a clause as No. 29 to have anything like full and helpful meaning there should have been provision for reviews and adjustments well into the future. Union with Canada has brought many changes. Some of them, of course, have been very beneficial, while others, particularly as affecting some aspects of our foreign trade, have been adverse in relation to our experiences of former years. Under the signed agreement a transitional grant of \$6,500,000 per year was made but, after three years, that grant was to be diminished yearly until it completely petered out in twelve years. This limitation, I contend, did not reveal very great understanding and certainly not generosity nor, indeed, liberality. I won't say any more about that, but we can each think up what opposite words we like and apply them to that remark.

I shall deal later, if I may, with some of the implications of clause 29 and the commission's report itself.

At this point it might be useful for me to review some of the circumstances applicable to the promotion of the movement for the entry of Newfoundland into Canada. General background of knowledge as well as awareness of the circumstances currently prevailing at that time are essential to a proper evaluation of the case under consideration.

Newfoundland had gone through almost a century of responsible government, with the exception of a period of fifteen years during which it had voluntarily surrendered elected government for a government by commission. That situation arose out of the financial