

*Newfoundland*

situation with respect to Newfoundland, but after all I think the completion of the scheme of confederation is of more concern to the general Canadian public than is the question of determining whether Mr. John Jones or Mr. Tom Allen, residing in one of the villages or towns of Newfoundland, shall have the right to use oleomargarine instead of having to use butter.

I think those are the only departures from the general scheme, because in a general way it was the desire of those people of Newfoundland who favoured entry into Canada to become Canadian citizens, subject to the same laws and entitled to the same great privileges that are the heritage of Canadian citizens of the nine other provinces.

I come now to the matter of financial terms. That was a tough one. The people of Newfoundland did not want to become a province of Canada under conditions which would not make it reasonably probable that they could carry on successfully, and participate in the advantages which appertain to Canadians generally. We on our side wanted to provide financial terms which would make it reasonably probable, if not certain, that the addition of Newfoundland to the economy of Canada would ultimately prove to be beneficial to both partners, to the older Canadians and to the newer arrivals. It was found, after more precise and careful study of the administrative problems that would be faced by the government of the province of Newfoundland, that the terms suggested in the offer submitted in October, 1947, would not be sufficient at the start to enable the provincial government to provide for its people on a basis comparable to that which is provided by the other Canadian provinces. It was felt there had to be quite substantial provisional grants, extending over a period of twelve years on a diminishing scale, to bridge the transition from the present economy of the island to the kind of economy which would make it possible for the provincial government to provide the people of Newfoundland with substantially the services that are provided for the rest of the Canadian people by their provincial governments, without resorting to a burden of taxation heavier, having regard to capacity to pay, than that which bears upon the people of the maritime region. The section of the Canadian economy generally described as the maritimes was felt to be the one which would be most nearly comparable to the situation which would be apt to develop in Newfoundland. It was felt that for a transitional term the government of Newfoundland had to be provided with sufficient funds to establish and develop services comparable to those available to the people of the maritime

region, and that it had to be able to do so without imposing upon the people of Newfoundland a burden of taxation heavier than that prevailing in the maritime region.

After long negotiations it proved possible, I think, to arrive at the scheme which is set out in the terms of union, and which is apt to achieve that result. Human foresight, however, is never as good as hindsight. 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. There is no undertaking to implement any terms of recommendation that may be made at that time by a royal commission. It was felt by the Newfoundland delegation, and by the representatives of the Canadian government, that this was something that was being entered into in a spirit of fairness on both sides, and that it was not necessary to make binding stipulations about what would happen with respect to the report of a royal commission. It was felt if there was an investigation and a report by a commission, in which the public at that time would have confidence, the legislators of that day could well be trusted to do what would prove to be right in order to make this enlarged nation a united nation continuing on its path of progress toward its great destiny.

At the time many people in Newfoundland felt that the government of the United Kingdom should have proceeded in some other way; should have at once restored responsible government and left it to a responsible government to discuss and negotiate a possible union with Canada. The government of the United Kingdom chose to call together a national convention of elected representatives, to have them advise in respect of the future form of government. After that commission had made its investigation the government of the United Kingdom decided to submit directly to the public of Newfoundland the question whether they wished to have responsible government restored or whether they wished to join us in our march toward the future. The people of Newfoundland, by a substantial majority, decided that instead of having responsible government restored they wished to have confederation with Canada immediately implemented.

As far as we were concerned, of course, it was not our business. All we had to do—and I think we did that with the most scrupulous care—was say that we would be glad to have them join with us, but that it was