

(December 8, 1913.)

## Why Newfoundland has not Entered Confederation.

BY HON. P. T. McGRATH.\*

AT a regular luncheon of the Club held on the 8th December, Hon. P. T. McGrath said:

*Mr. President and Gentlemen*,—I thank you, Sir, personally, for the all too flattering introductory remarks you have made, and the company for their presence in such numbers and for their cordial welcome. I recognize, of course, that it is not the speaker that has attracted this auditory here to-day, but the subject, for I feel sure, from my knowledge of the views of many Canadians on the matter, that it is by no means the least interesting of the questions that concern the Canadian public to-day.

Usually when I meet a Canadian and am introduced to him as a man from Newfoundland, he asks, either, "When are you going to come in with us?" or, "Why don't you come in with us?" (Laughter.) It is to answer this question that I am here to-day.

When a Past President of this Club, Mr. Dunstan, visited St. John's eighteen months ago, he bore me an invitation to address the Canadian Club. I asked him to kindly defer the matter until after our next election, because it would be most inadvisable for anyone from Newfoundland to come up here, even to tell about why we don't come into Confederation, with an appeal to the country in prospect. I have a lively recollection of a gentleman who some years ago, came here to tell why we should federate and what befell him and his party. But now the elections are over, and the political sea will be untroubled for four years, so I have come to explain why we have not entered into Confederation.

Newfoundland has an area of about 42,000 square miles, rather more than that of the three Maritime Provinces; and a population of about 250,000 or about one-fourth of that of those Provinces. But a different significance will attach

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to the latter fact, when I tell you that while they have increased only 14 per cent. in forty years, we have in the same period increased 50 per cent.

Another fact is that in our country the people are entirely of British stock, of English, Irish and Scotch ancestry. We have no aboriginal population, the last of the Beothics having been wiped out nearly a hundred years ago. Our population to-day is 99 per cent. native born. This fact, as the Chairman said, makes me doubly proud to call myself a Newfoundlander. Our fathers and grandfathers came originally from the British Isles; but there has been no immigration, practically, for forty or fifty years, so that virtually all of the Terranovans of to-day first saw the light in our Island home.

Our population should be much larger, but the repressive policy pursued towards the Colony in bygone days at the instance of the West-of-England merchant adventurers who controlled the fisheries and wished to retain this control undisputedly, prevented the country from being settled. In fact laws were specially framed to forbid settlement and in at least one instance a Star Chamber Ukase was issued directing the deportation of the whole of those living in the country in defiance of previous regulations, while even at a later period after this monstrous policy had been abandoned, the Island was ruled by fishing admirals created by this rough and ready method—the captain of the first fishing schooner entering a harbor was Admiral for the season; the second was Vice Admiral; and the third was Rear-Admiral. (Laughter.) You can imagine the kind of justice they administered. (Laughter.) It was only just a century ago that the holding of land was permitted to our people and less than that since the first road was built. Last summer I had the pleasure of being present when the Duke of Connaught dedicated the memorial tower at Halifax to celebrate the granting of Representative Government to Nova Scotia one hundred and fifty years previously. You will hardly believe that the same boon was denied to Newfoundland until seventy years later, and that it was not until 1855 that we secured Responsible Government or the autonomy, with full control of our own affairs, such as the Dominion of Canada enjoys to-day.

In 1867, when proposals were brought forward for the Confederation of this country, Newfoundland was invited to participate. Our Government sent two delegates to Quebec, two gentlemen who have now passed to the better land, Frederick Carter and Ambrose Shea—subsequently knighted—and there was a ditty composed on their going to Quebec for this purpose, which ran:

“Remember the day  
When Carter and Shea  
Crossed over the “say,”  
To barter away  
The rights of Terra Nova.” (Laughter.)

At a general election in Newfoundland in the fall of 1869 the party in favor of Confederation was obliterated. It may be of interest to you to know the arguments that were used by their opponents: they were that the people of Newfoundland would see their children used as gun wads for Canadian cannon; (that was shortly after the Fenian invasion of your country); that their bones would bleach on the desert sands of Canada; that there would be taxes on everything, even on the panes of glass in the windows; and in a country where coal was not mined and wood the sole fuel supply, they were told that no man would be allowed to cut wood, so many people went out, fearing this dreadful thing would befall them, and cut enough wood to last for years. (Laughter.) Men dressed up in soldier's coats were sent about to represent Canadian press gangs. The result of all this was that the pro-Confederation candidates were simply snowed under. I might observe that this form of political warfare is still in vogue. (Laughter.) You anticipated me—I was about to say, still in vogue in Canada. (Renewed laughter and applause.) I was struck with this fact three years ago when in the famous by-election in Drummond-Arthabaska, the French-Canadian women were urged not to let their sons join the proposed Dominion navy to be slaughtered in foreign wars.

After the defeat of Confederation, the cause languished till 1887, when Sir Charles Tupper, on his way to England, from Halifax via St. John's, informally opened negotiations with the Newfoundland Government of the day, led by Sir Robert Thorburn, which decided to send delegates to Ottawa, but this provoked such popular hostility, that the delegates, who were actually on the way, had to be recalled from Halifax, and negotiations abandoned.

The next attempt was in 1895, following the disastrous bank failures which occurred two years after the fire that devastated St. John's in 1892. The Whiteway Government was then in power and the delegates were Premier Whiteway being too ill to go,—Sir Robert Bond, the late Premier, Sir Edward Morris, the present premier, Sir William Horwood, now Chief Justice, and Executive Councillor Emerson, now senior assistant Judge of the Supreme Court. The Canadian conferees were Sir Mackenzie Bowell, then Premier of

Canada, Hon. George Foster, then Finance Minister, the late Sir Adolphe Caron, then Postmaster-General, and the late Hon. John Haggart, then Minister of Railways. After fruitless negotiations, they were unable to reach an agreement. The Canadian delegates were unwilling to advance the further sum of \$54,000 a year to Newfoundland which our delegates considered indispensable to maintain our local administration; and the proposals fell through. Had that been granted, Newfoundland would have been likely a Province of the Dominion to-day, and judging by her prosperity since then not the least prosperous of the territories that make up this great appanage of the British Crown. (Hear, hear, and applause.)

By those who have not studied the subject fully, and it has of course not been much in the public mind since,—there has been a disposition to severely criticize the Canadian delegates for their failure to give this additional sum, but it should be remembered that, first, \$54,000 a year looked to Canada in those days very much more than it does now; second, that the Canadian delegates feared that if they gave Newfoundland this additional \$54,000, they would have a demand from all the other Canadian Provinces to be levelled up in the same ratio; third, that there was some concern as to Quebec's attitude towards the inclusion of another English-speaking Province; fourth, that there had been no opportunity to elicit the sentiment of Canada as a whole towards Newfoundland or the readiness of the Canadian people to give exceptional terms to our country; and fifth, that the Bowell Government was a dying one at this time and those who controlled it were naturally unwilling to take the risks which an administration fresh from the country or in its vigorous maturity would be willing to embark upon. It was only after the negotiations had fallen through and a virtually unanimous chorus of protests from the newspapers of every shade of politics, public men, and civic organizations against the loss of this opportunity, caused the powers that be at Ottawa to realize what a mistake they had made; but it was too late then; their action could not be undone, and if Canada feels that she has cause to regret the opportunity, there is no regret on Newfoundland's part, as she has progressed at least as fully as, if not more so, than she could have done had she united with you at that time.

Since that time Confederation has not been officially before the constituencies at any election either in this country or in ours. At the same time, however, it has figured prominently as a side issue in every election with us and if I had

time and did not try your patience too much, I might speak at some length in describing how this question has come to figure so prominently every four years in our political controversies. (Cries of "Go ahead!") I thank you, but I know that at this lunch hour, in the middle of the day, with a gathering of business men before me, I ought not to unduly delay them.

When in 1867 proposals for Confederation were advanced to us, there was not much in the way of argument in favor of Union that could be put forward except what was embodied in the phrase "Union is strength." The idea of federating the North American Colonies was new, the project was simply an experiment and no man could tell how it was going to work out. Certain offers were made to us, such as that railways would be built in our country, that taxation would be reduced, and that such a stimulus in trade and otherwise would be incurred as we would not get in any other way, but it was argued effectively among us that we had better wait and see how the scheme worked out among the mainland colonies before we ventured in, even if we were to venture at all, and it was pointed out, which was very true, that as we had but one industry, fishing, we had virtually nothing in common with our neighbors and that little advantage could follow to us from combining with them. Influenced by this reasoning and by the cries quoted above, we rejected it with such positiveness that, as I say, it has never been officially submitted to our electorate since, and I now propose to show the reasons why union is not advisable at the present time. Before doing so, however, I might briefly summarize the arguments which are presented in favor of Confederation. They are five, namely:

First, that it will round off the Dominion. In other words, that the Dominion is incomplete without Newfoundland and that especially in these days, when the Federal principle is predominant, as has been shown by the Australian and South African Federacies, it is an anomaly for Newfoundland to be outside, but to this there is, of course, the retort that we are in precisely the same position with respect to Canada that New Zealand is to Australia.

Second, is the strategic reason, the importance of Newfoundland as the sentinel of the St. Lawrence, since, by virtue of its geographical position, it would be possible for an enemy holding St. John's to bottle up Canada's whole water-borne commerce. Access to the Gulf is obtained either through Belle Isle Strait on the north of Newfoundland, or Cabot

Strait on the south, and commerce destroyers could devastate these waters if Newfoundland were in hostile hands.

Third, is the naval value of the Island. If Canada is to go in for the naval policy—and here I realize that I am treading on dangerous ground—Newfoundland is vitally important. I might point out that whether you are to have a navy of your own or to maintain a flotilla as part of the Imperial Navy, if your ships are to be manned from this side of the water you will have, in my humble judgment, to get much of your material from us, because the Canadians in the Maritime Provinces, just as the Americans in the Down East States, are abandoning the fisheries as being too dangerous and unremunerative. We find that from our experience in the North Atlantic fishery situation that the Gloucester fleet, the backbone of the Massachusetts fisheries, is crewed very largely with Newfoundlanders, and it is equally certain that the fleet from Lunenburg, Nova Scotia, which operates on the Grand Banks every year, is not increasing because of inability to get your own people to keep in the business. Hence, if you are to obtain blue-jackets for your warships, you will have to get most of them from us. The British Admiralty has already recognized the value of Newfoundland fisherfolk in this connection by establishing a naval reserve amongst our fishermen and maintaining a disclassed cruiser at St. John's as a training ship.

The fourth reason why Canada might desire Newfoundland is because of its political importance. We have a population of 250,000 English-speaking people in a Province that would have at least ten members at Ottawa, who could be relied upon at all times to advocate purely British aspects of this country's progress (applause) against any possibilities of trouble that foreign races in the West might give rise to. In regard to this matter I might say that Canadian public men of both parties would do well to recognize the fact that if Confederation ever became a live issue in the future it will be considered by us only if we are guaranteed an irreducible minimum in our representation at Ottawa. It may be ten or it may be twelve members, but we would not put ourselves in the position of the Maritime Provinces who are seeing their representation whittled away after every census, and would take the precaution to see that we had a fixed number of members assured to us.

The fifth reason for Union would be the commercial value of Newfoundland, in that it would afford Canada a market for several millions of dollars' worth of products annually.

At the present time we buy from Canada about five and a quarter million dollars' worth of her products out of fifteen million dollars' worth, and from the United States about as much more, taking about four and a half million dollars' worth from the Mother Country, and the remainder from the rest of the world. Under Confederation a great deal of the commodities now obtained from the United States would be procured from Canada, and, of course, to Canadian manufacturers, millers and business men this would appeal strongly.

On the other hand, the reasons why Newfoundland does not desire Confederation are many and varied. To begin with, we were promised in 1867 a railway like the Intercolonial. We have, however, provided our own railway, of which we have now about 1,000 miles, 800 miles completed and 200 more that will be finished in a year or two, as large a railway mileage per head as you had in Canada until very recently. We have two 1,500-ton steamers plying across Cabot Strait every night, giving us daily connection with the Intercolonial and the whole outside world, steamers with accommodation for 100 first and 200 second class passengers each, making 16 knots, and superior beyond all dispute to anything you have in Canada east of Montreal. The same is true of ten or twelve other coastwise and in-bay steamers plying all round our seaboard connecting with the railway at convenient points, and making up one transportation system that touches virtually every settlement in the country, and besides that we have two steamers plying weekly to Labrador in the summer months when some 20,000 of our fisherfolk are located there engaged in their industry. All these steamers are new and of the most modern type, built, some of them, by the same Companies as built the *Mauretania* and *Lusitania* and others by firms scarcely less noted, and you have no shipping in Canada, except of the larger class, to compare with them at all. We have financed the railway and provided subsidies for these steamers, as our circumstances have permitted, and when it has suited ourselves, whereas had we entered Confederation in 1867 on a promise of railways, we might have had to wait until now for them. You will remember that British Columbia, though promised a railway as a condition of entry, had virtually to revolt some years later in order to secure it and that Lord Dufferin crossed "the sea of mountains" as a pacificator; and you will remember, too, that although Prince Edward Island was promised better winter communication, she is only now, after forty years, seeing this promise implemented.

Another inducement held out to us at that time was that under Confederation we would have a free breakfast table. Well, we have been able to provide that for ourselves also. We have wiped out the taxation on tea, sugar, pork, flour, molasses, kerosene oil, lines, twines, fishing implements and farming implements, so that the working classes now will be practically tax free so far as the necessaries of life are concerned. To secure a revenue we levy duties on our imports, but, as you will note, these articles are the staples and come in free, and the balance of the taxation is borne by the classes best able to carry the same. The Customs Revenue obtained from the import duties provided for all the public services of every character whatever, even the upkeep of the roads and the maintenance of schools. In other words, every form of public service you have in Canada, either under the Dominion, Provincial, County, or Municipal Governments, is provided for the people of Newfoundland out of the general revenue, and the Newfoundlander knows nothing of direct taxation such as the people of Canada have to face in the various Provinces. In addition the Newfoundlander gets all the land he wants for nothing. (Hear, hear.) Our country, I might say, has an interior practically unsettled. The people live almost altogether around the seaboard. Fishing is their first occupation, but there is scarcely a man now who does not raise his own vegetables and garden stuff and provender for his horse, cow, sheep and pigs, and land for this purpose is procurable practically without cost. The distinguished ecclesiastic who sits on my right, Archbishop McNeil, when Bishop of St. George's on our West Coast for many years, having come from Cape Breton where agriculture is largely practised, did much to induce the people of the West Coast to cultivate the land on a larger scale and his efforts were highly successful. Another of our Bishops, the late Dr. McDonald, of Harbor Grace, also a Cape Bretoner, was equally active in this direction. (Applause.) Having abundant fish in the waters beside his door; being able to raise much, if not all, his own garden produce; able also to stock his larder with caribou, rabbits, and game birds, unrestricted in his access to the forests to cut wood for fuel, for house building and for boat building, all of which work he does himself, he is as well off as the farmer, the miner, or the working man anywhere in the Dominion.

In our trade we are practically self-contained. Conditions such as disturb you to-day and described as due to a "money stringency," affect us little if at all. We are not worried over

tight money, the collapse of real estate booms, or over-speculation. The noise of financial panics finds no echo in our Island. Last year there was not an insolvency in our country of sufficient importance for Dun's or Bradstreet's to record. (Applause.) We live in the fortunate case of having the one tariff applying to the outside world and of selling in the highest and buying in the cheapest market. As an instance, we can purchase flour in St. John's cheaper than it can be got at Halifax, for Canadian and American millers compete for our trade, whereas in Canada the import duty on American wheat and flour enables the Canadian trader to raise the price substantially above what we pay, and what is true of flour is true of many other commodities as well. In view of these facts, then, you will not find it surprising that Newfoundland has kept pace in population with your country until the past decade. In the previous ten years Canada's net gain in population was about  $10\frac{1}{4}$  per cent., while Newfoundland's was nearly 10 per cent., and this, moreover, though on our part we had no immigration whatever, whereas you had a substantial immigration, though, of course, nothing like what you have had during the past decade. This big inrush from Europe and from the United States to your Northwest has upset the balance, but by comparison with Ontario and the Maritime Provinces we are holding our own in point of numbers. In prosperity, too, our condition is highly gratifying. The reductions in taxation we have made the past ten or twelve years represent a sum of about \$750,000 less paid now by our people into the Treasury than was paid then, and during that time, in addition to providing the funds for all our public services on a substantially increased scale every year, we had surpluses in this period aggregating about a million and a quarter dollars, of which we spent \$750,000 in extra public works and put the other \$500,000 away in the Bank of Montreal as a cash reserve against the proverbial rainy day for which it still remains.

In view of this record, then, and of our enjoying a prosperity so long continued, so widespread and with such prospects of permanence, it is difficult to see where any advantage could accrue from Union. Moreover, every element amongst us sees in Confederation a menace to its individual betterment. Thus Confederation is opposed by our merchants and general dealers because they believe that if it was ever brought about large Canadian concerns would establish branch houses in St. John's and put them out of business. It is also opposed by our manufacturers, (for we have manufactories, producing

many articles of common use amongst us, such as cordage, tobacco, biscuits, boots and shoes, etc.) and the owners of these factories claim that the larger Canadian concerns of the same class would flood our market with the surplus product and not alone destroy the capital invested in the local concerns, but also throw out of employment the operative forces therein, and it is estimated that \$35,000 per week is paid out by the factory owners in labor in our country, this, of course, not including such enterprises as the iron mines and the pulp and paper mills up country. Our farmers, in their turn, claim that their industry would be destroyed if the produce of the Maritime Provinces and Upper Canada were to obtain free entry into our Island. At the present time, we help to stimulate a farming industry by a protective duty, which, of course, would be removed if under Confederation.

It is to the fishermen, however, that the proposal for Confederation seems the most serious. They claim, to begin with, that the administration of our fisheries would be transferred from the Government at St. John's to that at Ottawa, as under the British North America Act the sea fisheries are a Federal subject. They contend that there would then be no guarantee that the future of this industry might not be jeopardized by an Ottawa administration, which might use it to secure the advantage of the rest of Canada to the detriment of Newfoundland in some trade compact with the United States. Moreover, our fishermen feel that they would not have anything like as sympathetic and responsive a carrying out of the fishery laws through the agency of a bureau at Ottawa that they would have with the center in St. John's and regulations inimical to their interests might be framed and enforced. In the next place our fishermen argue that every man in Canada engaged in sea fishing has to take out a license and pay a fee therefor, which in the case of large cod traps, the most costly and modern method of fishing, amounts to \$50 or \$75 a year. In Newfoundland we have no licenses, no fees, and such regulations as are made for the conduct of the fisheries, are made for virtually every locality in response to the wishes of the people therein.

I have heard it argued that under Confederation the Dominion would provide us with better coast facilities, light-houses, fish hatcheries, etc., but with regard to this I would simply say that we tried fish hatching ourselves some years ago and abandoned it; we are making as generous provision for coast aids as our finances will allow, and perhaps as generous as we would get under Confederation, and that Canada

is at the present time maintaining a number of important light-houses on our seaboard, not for our advantage but for the benefit of her own shipping that uses the St. Lawrence route, so we would stand to gain very little in this way.

In addition to the merchant, the manufacturer, the farmer and the fisherman, the economist amongst us opposes Confederation because it would mean that in addition to the one Government, with one set of politicians, as we have to maintain at present, we would find this condition duplicated under Confederation (laughter), and while there does not seem to be much difficulty to maintain two sets of politicians and two Governments in this country, and allow your Federal politicians, Parliament after Parliament, to increase their stipends, I tremble for the man who would advise a similar policy with us. (Laughter.)

Every element, therefore, opposes Confederation because of individual and general interests, and the consensus of agreement among all classes is that Canada has nothing to offer us. Our total trade last year was nearly thirty-one million dollars. Of this sixteen millions consisted of imports and nearly fifteen millions of exports. Our imports increased a million dollars during the year and our exports a million and a quarter. The apparent balance of trade against us is due to the import of large quantities of materials in connection with the operating of the mining and paper-making plants. The former are producing 1,300,000 tons of ore annually now, and the latter are putting out 240 tons of newsprint paper and about half as much sulphite and ground wood pulp every day, providing articles of export valued the past year at two and a half million dollars. The value of our fishery products for the last fiscal year was about ten million dollars. Thus, of itself, at the present figures, Confederation would not give us any better assurance in this respect in regard to our fisheries. It would not benefit us as to agriculture, mining, or paper making, and the only substantial argument in favor of Union would be that the articles we import from Canada at present would then go in duty free, but it is optional to us at any time we may choose, to bring about this by removing the duties from Canadian products if we saw fit to do so, but it would leave a hiatus now or under Confederation, which would have to be met by direct taxation in order to satisfy the needs of a provincial administration. Direct taxation would be extremely unpopular in our country, and the fear of it forms one of the strongest reasons why our people oppose Confederation.

I have heard and read of criticisms on our colonial public debt, which is now about twenty-five million dollars or, say \$100 per head of our population. Your Federal debt is about half that amount, and if you add to that the provincial, county and municipal debts, and the direct taxes and charges your people have to pay in other respects, I think it will be found that the Canadian taxpayer is more heavily burdened than the Newfoundlander.

Two or three years ago, a Federal M.P. from the Maritime Provinces told me he thought we were wise to keep out of Confederation, and that these Provinces very much regretted that they did not do so as well. However, that may be, the people of Newfoundland, for the reasons I have already given, and for the further reasons that they are not prepared to merge their independence and the proud prestige of their country as the oldest oversea possession of the Empire, into the Dominion, are decidedly opposed to Union in any form.

Moreover, Newfoundland controls the bait supply of the North Atlantic. On this supply Canadian, American and French fishermen, as well as our own, rely almost wholly. For nearly thirty years we have excluded the French by our Bait Act. For twenty years we were at war with the Americans in the same connection. In 1892 and 1893 we were compelled to prove to your authorities that we were paramount in this matter. While we remain as we are, our control of this weapon is undisputed, but under Confederation we would transfer it into your hands, and knowing its value and potency we are reluctant to do this.

In my humble opinion, if Confederation should ever be brought about in the future, it must be through the influence of one of two circumstances: either a complete transformation of conditions in the eastern part of British America, which we cannot see in prospect at the present time, so that Newfoundland would consider it to be of advantage for financial or other reasons to come in; or the menace of foreign domination might force her to do so. But at the present time our country is too prosperous, our people are too contented, the outlook is too promising, for us to consider any proposal for union on the part of the Dominion, even if the Dominion were disposed at this time to make one. (Applause.)