

THE CANADIAN CLUB  
OF TORONTO  
1938-1939

(May 10th, 1938)

“Nova Scotia and Confederation”

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I must at once express my sincere thanks to you, Mr. President, and to the Members of the Canadian Club of Toronto for the very kind invitation in response to which I am here today. The object of Canadian Clubs is to develop and maintain a healthy national life. That object cannot be attained unless there is a correct understanding by all our people of the problems and difficulties that face the different sections of this Dominion. Nothing will tend more to the production of that understanding between one Province and another, between one section of this Dominion and another, than such meetings as this, where the viewpoints of people from various sections of this wide Dominion may be expressed to you, and where, in turn, your ideas may be gathered by the visitor from the outlands and passed on by him to his own people.

I should like to discuss today a topic which is of prime concern to me, and which, I hope, may hold some interest to you, and that is, Nova Scotia's place in Confederation. A proper comprehension of all that is involved in that topic necessitates some consideration of pre-Confederation his-

tory, of the events leading up to the passage of the British North America Act, and of the result of that measure upon the economic and general life of my Province.

In passing judgment on matters of this kind one must have regard to more than the outward or material aspect of things. He may have to look at external conditions, it is true. He may have to consider geography, for that often exercises an important bearing on economic trends, but he must also regard the history of the people, their intellectual qualities, their ambitions and their temperaments, their sense of identity and local pride, their experience in, and their capacity for, government. If one were to take his stand in Nova Scotia one hundred years ago, he would find a country small in geographical extent, for its total area then was, and now is, twenty-one thousand square miles, and its population in 1838 was approximately two hundred thousand. He would find a country which had even then a relatively long history as history must be reckoned on this continent. He would realize that he stood in the oldest part of Canada, for since the year 1605 there has been continuous white civilization in Nova Scotia. No other part of Canada, no part of the United States (with the exception of the Spanish settlements in Florida) can boast of so ancient a civilization. He would find a Province peopled mainly by four great races—French, English, Scots and Irish, with a strong sprinkling of Germans in the County of Lunenburg. If he were to ask how those people came there, he would be told that they had come over a hard and dangerous road. The French whom he would find in Nova Scotia would be descendants of Acadians who were removed from the Province in 1755. It is a fact, too narrowly known, that after the Acadians were driven from their homes in that year and scattered over the North American continent from New Brunswick to Louisiana, many of them—nearly one-half of the exiles, in fact—banded themselves together in Massachusetts and resolved to undertake a long and dreary march on foot back to those lands which had been home to them and to their ancestors for one hundred and fifty years. The poet's pen and the poet's imagination have cast the glamour of a great romance over the departure

of the Acadians, but there is another story which one day will challenge the attention of another poet or novelist or dramatist—the story of the return of the exiles through trackless forests and over tremendous rivers, in hunger sometimes, in weariness often, but in hope and in love always, to the Acadian land, and still another story of how these returned Acadians decided to take the oath of allegiance and accept British citizenship, of how they were given grants of land by the British Government and assimilated into the life of the Province, and of how today they are counted among our most useful citizens. Our inquirer would find that English settlers had come to Nova Scotia in large numbers to found the City of Halifax in 1749, and that even before the American War of Independence a number of English settlers had come into the Province from the United States. He would learn that after the War twenty-two thousand Loyalists, the largest number by far to come to any Province, had found their way to Nova Scotia. Many of these were men of education and culture, with ideas of their own about local government and democracy. These men exercised a profound influence on the political development of the Province. Thus, while all of Canada may be called a pioneer's country, it is true of Nova Scotia that most of the people of English and French descent who dwell there today can trace their origin to men and women who were twice pioneers on this continent. One hundred years ago there would, of course, be found a goodly number of Scotsmen who began coming to Nova Scotia in the 1760's and 70's, and who there, as elsewhere, have made their full contribution to the life of the Province. Ireland, too, sent its quota of settlers, and the Irish race has given to the Province not a few of its most brilliant sons.

With that rich and strong infusion of great races our visitor would at once be struck. If he turned to consider what institutions these people had developed, he would find that Nova Scotia then had a university which could claim existence of fifty years; that a second university was twenty years old; and that a third had just been born in that year 1838. He would find several news papers being printed, in which political and other issues were debated and dis-

cussed with vigour and acuteness. In literature Haliburton had just won his greatest fame with the publication of *Sam Slick*, which established Haliburton as one of the fathers of American humour, and which, taken with other literary efforts, made him undoubtedly the greatest figure that Canada has yet given to the world of letters. In the field of commerce and business the canvas of Nova Scotia's ships and the distinctive Nova Scotia flag would be found on every one of the world's seas, and a great Nova Scotian, Sir Samuel Cunard, founder of the Cunard Steamship Line, then stood on the threshold of his great career. In the field of political science our friend would find a country where representative government had been established in 1758, and which now under the magic of the voice of her greatest tribune, Joseph Howe, was pressing forward to the next stage which she was to reach in 1848,—the stage of responsible self government. He would note that in 1827, two years before England herself had taken similar action, the Assembly of Nova Scotia had removed the disabilities which prevented Catholics from taking a seat in that Assembly, and had thus marked out a course of just treatment of minorities which she has followed faithfully to this day. In the field of law the observer would note that English Common law had been administered in Nova Scotia from 1721 onwards, and that our first Supreme Court and Chief Justice came in 1754.

In short, if one takes the first half of the last century and reflects upon the calibre of the men the small Province of Nova Scotia produced in that period in every phase of human endeavour, in arts and letters, in education, in business and commerce, in the learned professions, in the science of government, he will find a galaxy of brilliance and achievement far out of proportion to the size of the colony.

In 1867, then, Nova Scotia was a country which for more than two and a half centuries had had an identity of its own. For more than a century and a half it had been a distinct community under the British Crown, and from the year 1768 it had its own Legislature functioning in direct relationship to the mother country. It was not to

be wondered at, therefore, that by 1867 the traditions and loyalties engendered in these centuries of separate existence should have created in the Province a distinct Provincial consciousness. That feeling, it is true to say, still exists. The old loyalty to the smaller unit, Nova Scotia, has never been entirely superseded, though it has been supplemented by a loyalty to the Dominion as a whole.

There are people who see in this situation a source of danger to the solidarity of the Dominion. I must confess that I am not able to agree with that point of view. We give our unquestioned loyalty to the Throne and to Canada, but we see nothing incompatible between these larger sentiments and the sentiments of local patriotism.

"That man's the best cosmopolite

Who loves his native country best."

It must be remembered that Nova Scotia did not cease to be a political entity when it became a Province of the Dominion. The Privy Council has declared that the object of the British North America Act was not to weld the Provinces into one unit, nor to subordinate Provincial Governments to a central authority, but to create a Federal Government to administer affairs in which all the Provinces had a common interest, at the same time maintaining to each Province its independence and autonomy. A great Englishman has put the matter in other language in a reference to the relationship between the Federal Government of the United States and the State Governments of that country. He uses the figure of a number of small churches built at different times, each complete in itself. In the course of years a larger and more spacious fabric, is built over them all and includes them all within its walls. The identity of the smaller churches is not obliterated, and if the larger structure were to disappear these original edifices would still remain distinct and separate entities.

Well, with the background of that history and these traditions, Nova Scotia in 1867 came to consider the prospect of Confederation. The problem confronting her was one in which sentiment and business were mingled. By remaining out of Confederation Nova Scotia could of course have maintained her separate identity and her strong

Provincial sentiment, and at the same time a profitable economic relationship with the United States, Great Britain and the West Indies. On the other hand, she could go into union with its sentimental appeal—the appeal of being a partner with the other Provinces in the upbuilding of a greater British country on the northern half of this continent—together with the economic advantages which might be sunk from that union. That was the problem, and Nova Scotians in the election of 1867 both Provincial and Federal, left no room for doubt as to how they considered it. There has never been in the Province so decisive a judgment on any question as the judgment of Nova Scotians against Confederation, or more correctly against the terms of Confederation and the manner in which it was consummated, rather than against the fundamental idea itself.

It seems to me that from the Nova Scotian viewpoint the strongest argument for Confederation is the argument on sentimental ground. The economic argument, I think is weak. Indeed I am now, and I always have been convinced that stating the case in terms of economics only, it would have been distinctly to Nova Scotia's advantage to have remained out of Confederation. *Nova Scotia's natural markets have always lain over the Seas, and not with the rest of Canada.* Our main wealth is in our natural products, the fruits of the earth, the forest, the mine and the sea. What proportion of these can we economically ship into Central Canada? We cannot sell you agricultural products nor forest products for you are amply supplied, more amply than we are indeed, with these commodities. We have, it is true, vast coal deposits which you do not possess, and we have the wealth of the sea which you lack. You could absorb some of our mineral productions and some of our fish, and you do buy a million tons of Nova Scotia coal with a value in Nova Scotia of roughly \$4,000,000.00, and you also bought fish and some by-products of fish to the value of roughly \$2,000,000.00. We also shipped to you some manufactured articles, chiefly those articles whose value is very high compared to freight or express charges. The great obstacle in the way of shipping

coal to you is the matter of freight charges. It is very difficult to carry coal profitably for a distance of more than 1,000 miles. Salt water fish, *if you would only eat more of it*, might prove to be the most suitable product to export to these Provinces, but here again, distance, time and transportation charges have to be considered.

We ship to you here coal, fish and a small amount of manufactured goods. For all that you have done to encourage the greater use among your people of our products, we are deeply thankful. But to state the case fairly, I think that I should say in one item of merchandise alone you more than recover what you spend on Nova Scotia coal and fish, and that item is the sale of automobiles. In addition to automobiles there are many other manufactured articles such as agricultural implements, domestic machines and appliances of various sorts, and a great many other products of your factories bought in Nova Scotia.

The point with which I am concerned is the alternative which faced Nova Scotia in 1867. It must be remembered that for some years before Confederation, all the Provinces had, with one another Free Trade in natural products. It was I think, the desire of the Central Provinces to have that freedom of trade extended to manufactured products, but the agreement was never widened to this extent. Having therefore, Free Trade with these Provinces in natural products, what had Nova Scotia to gain from the provisions of the British North America Act declaring that there should be Free Trade between the Provinces in all products, natural or manufactured. Nova Scotia was not to any extent a manufacturing country. She had little in the way of manufactured articles to ship to Canada, and so she stood to gain very little from the provisions to which I have referred.

Nova Scotia undoubtedly was promised much from the building of the Inter-Colonial Railway. Sir George Cartier said at Halifax that when the I.C.R. was built all the trade which then went to Portland, Boston and New York would pass through Halifax, and there would virtually be a Ferry between Halifax and England. Sir John MacDonald said, "Build the road and Halifax will become one of the great

emporiums of the world". Sir Alexander Galt said that the Inter-Colonial Railway was not to be looked upon as a question of cost, but as a bond of union between the Provinces.

It is easy to be wise after the event, but I think it ought to be said that the advocates of Confederation did not themselves measure accurately the material sacrifices which Confederation involved against the meagre material gains. At all events, the Nova Scotia delegates though not the Nova Scotian people, agreed to terms of union. It is interesting to consider now who was right at that time, the Nova Scotian delegates or the Nova Scotian people to speculate whether the fears of the Anti-Confederates as to the harmful economic defects of Confederation were well grounded. A superficial case and what I held to be more than a superficial case for the affirmative, is easily made out.

In 1867 Nova Scotia was the wealthiest Province per capita, whereas today she is the poorest in per capita wealth of all the Provinces; the per capita wealth of Nova Scotia being only 57% of the Canadian average. The population has increased since Confederation by about 33%, and the decade from 1921 to 1931 it actually declined by 11,000 souls. The population of New Brunswick has increased since Confederation by 43%, the population of Quebec by nearly 150% and the population of Ontario by more than 100%. If you take manufacturing you will find that in 1880 Nova Scotia had 20,390 men engaged and in 1930 she had 21,069, an increase of about 3%. In 1880 Ontario had 118,000 men in her manufacturing industries and in 1930 she had 307,000, an increase of nearly 200%. The gross value of Nova Scotia's manufactured products in 1880 was in round figures \$18,000,000.00; in 1931 it was \$85,000,000.00, nearly a five fold increase. The gross value of Ontario manufactures in 1880 was \$158,000,000.00, whereas in 1930 it was \$1,713,000,000.00, an increase of 11 fold. The same proportion of 5 to 11 is noticeable if one takes as a standard the payrolls of manufacturing industry or the net value of manufactured products. Striking progress in manufacturing has been

made by Quebec, by Manitoba and by British Columbia—progress that is out of all proportion to that made in Nova Scotia and in the other Maritime Provinces.

If you turn from manufacturing to natural products, and if you take first the industry of agriculture, you will find that the number engaged in that industry in Nova Scotia in 1881 was 59,000. Fifty years later it had dropped to 42,000. In the same half century the number of farms had dropped from 55,000 to 39,000. There has been a decline in those 50 years of 14% in the area of occupied farms, and there has been a decline as well in the number of horses, cattle, sheep and swine. There has been an increase in the quality and value of apples, which are almost entirely an export commodity, but, on the whole, there has been a decline in most branches of agricultural production.

If you take the industry of fishing you will find that the dollar value of the catch today is not very much greater than it was 50 years ago. Our lumber out-put, while varying considerably in different years, is not for the last 5 year period very much greater in value than it was in a similar period in the 80's. In short we have made no substantial advance in any of our primary industries, except in the industry of mining where a considerable increase in the quantity and value of coal, salt, gypsum and other minerals is to be noted.

I think it is true to say quite definitely that neither our manufacturing industries nor our primary industries have developed since Confederation in the same measure which they have advanced in other parts of Canada.

I have already referred to our low per capita wealth. I know that many people will say that per capita wealth is not at all a certain or infallible test of a Country's prosperity, but the depressing feature of our history is that no matter what standard of material progress may be taken, Nova Scotia makes a poor showing. Take for instance the matter of motor vehicles. The average for Canada in 1933 was 1 motor vehicle to every 11.7 persons. The average for Nova Scotia was 1 to every 15.8 persons. In other words we had about 2/3rds as many motor vehicles per capita as the rest of Canada. Canada as a whole has 1 telephone for every 8.3 persons. Nova Scotia has 1 tele-

phone for every 11.5 persons. Again we are about 2/3rds as prosperous by this test as the rest of Canada. If you take life insurance sales for 1933, the Nova Scotia per capita average was 24.1; the Canadian average was 33.8.

Building contracts afford a reasonably accurate index of prosperity and in 1933 the per capita of building contracts awarded in the Maritime Provinces was \$7.00; for all Canada it was 9.5.

All these tests or indices indicate that the wealth or the spending power of Nova Scotia is about 2/3rds the wealth or spending power of the rest of Canada. Not a single index of prosperity can be produced to show that we have kept pace with our brothers in other parts of the Country.

The results of this condition are inevitable. I have already said that our population did not increase as rapidly as the population of the rest of Canada, and that it actually declined in the decade 1920-31. Not merely is there a decline in numbers, but if you consider the population by age groups, it will be found Nova Scotia is losing her younger and more vigorous men to other parts of Canada or to other Countries and only the older people are remaining in the Province.

Now I would say this. I am aware that there are many who say that these conditions in Nova Scotia cannot be blamed on Confederation. There are many who say to us:

"It is true that you have not kept pace with the rest of Canada in the last 60 years, but don't blame that condition on Confederation. Wooden ship building was one of your great industries and that began to decline all over the world about the middle of the last century. The American Civil War—Reciprocity Treaty with the United States—these gave you a period of great prosperity in the '50's and early '60's of the last century. Just before Confederation came, the Civil War ended and the Reciprocity Treaty terminated, and much of your present backward condition is traceable to these occurrences. Also many of your men have gone to Western Canada and had helped to develop that section of the Country."

I recognize that all these factors have contributed their share to Nova Scotia's present economic state. That immediately I ask this question: Did not these very same factors affect central Canada as well as Nova Scotia, You had wooden shipbuilding on your Great Lakes and Rivers even as we had on the Seas. You suffered as we suffered from the decline of trade with the United States in the late '60's of the last century. You sent more of your sons and daughters than we did to colonize the Great West. Yet you achieved, following Confederation, a measure of prosperity in manufacturing and in primary production and you experienced an increase in population far exceeding the gains that we have made in these respects.

I conclude, therefore, that the reasons commonly given for the disproportionate advance in Nova Scotia and in other parts of Canada, are not valid reasons, and that we must look elsewhere for the causes of Nova Scotia's failure to keep pace with the rest of Canada.

Let us go back again to the Nova Scotia problem in 1867. Here was a Province which, during her whole existence had looked to the sea and over the sea for the sources of her wealth, and her commercial alliances, but she had no trade of consequence with the two central Provinces, but more than 80% of her business was done in great waters, with the United States, with the Islands of the West Indies and with Great Britain. She was now asked to surrender to a central government the power to make treaties and trade arrangements.

Before Confederation Nova Scotia had a tariff which averaged about 8½% ad valorem. That was the sort of tariff which Nova Scotians desired; the sort of tariff which appeared to suit Nova Scotians and under which they had achieved a very considerable measure of prosperity. Nova Scotia's pre-Confederation tariff was lower than that of New Brunswick, and considerably lower than the tariff of Quebec and Ontario, and one of the fears most vigorously expressed at Confederation was that a Canadian union would mean higher tariffs and that higher tariffs would

spell economic reverses for Nova Scotia, for Nova Scotia's wealth has always lain in her natural primary products, her fish, her coal, her lumber, her apples and other agricultural products. It is precisely on an economy of that sort that a tariff bears most heavily. Primary producers in a country such as Nova Scotia must export to world markets. Their primary products are not helped by protection. They have to face world competition and they have to meet world prices. Instead of being helped by tariffs they are hurt by tariffs as the cost of instruments of production is increased by the tariff.

On the other hand, gaining no benefit from the tariff in so far as the things they have to sell are concerned, they are nevertheless compelled to pay higher prices for the things which they buy. The price of nearly every manufactured commodity in use in Nova Scotia is increased by the tariff. Whether it be a luxury such as the radio or the motorcar, or a convenience like the washing machine in the Nova Scotia kitchen or a necessity like the tools of the farmer or the lumberman, it matters not. The price of every one of them is enhanced because of the tariff. If you say that we should manufacture many of these things ourselves, the answer is that we cannot compete; that we are too small, too far from the centres of population, and that many of the small businesses in Nova Scotia which attempted to carry on some form or other of manufacturing, have been driven out of existence by the competition of larger concerns.

As to the full weight of this burden on Nova Scotia, it is not easy to speak with assurance, because one of the things lacking in this country is a collection of inter-provincial statistics. I may say, however, that 4 years ago when Nova Scotia appointed a Provincial Commission of economic inquiry, it was calculated that the net loss to Nova Scotia because of tariff in the year 1931 was \$4,500,000. That was the net loss to the Province. The figure was arrived at after making an allowance for whatever benefits the tariff conferred on the products of Nova Scotia—benefits to her steel industry, to her coal industry and to

other industries which might receive some aid from the tariff laws of Canada.  $4\frac{1}{2}$  million dollars in 1931 was the figure that Nova Scotia had to pay as part of her contribution to Confederation.

In 1937 the contribution I think will be considerably larger. It is true, of course, that the citizens of the central Canadian Provinces have also to make a contribution because of the tariff, but they receive in return benefits that in my opinion more than off-set the contribution. For instance the Province of Ontario according to our calculation, derives a net benefit from the tariff of about 50 million dollars, and the Province of Quebec a net benefit of some 30 million of dollars.

If the figures which I have been using are at all accurate, it must be evident that the Province of Nova Scotia and indeed the three Maritime Provinces, and I might add the Western Provinces as well, for the Western Provinces by our figures suffer even more grievously than we do—the east and the west of Canada are bearing a burden of great magnitude. It cannot be denied, I think, that the chief benefits of the present tariff policy of Canada are to the two central provinces. 80% of the industries of the country are located in these Provinces, and by and large I think it is fair to say that 80% of the benefit of the tariff goes to these two Provinces, though they fall far short of having 80% of the population of Canada.

The present tariff or one somewhat like it, has been in force in this country for nearly 60 years. If the policy of protection is to be continued, what can be done by way of compensation to those parts of Canada upon which the tariff bears most heavily. I should think that in order of merit the three things most satisfactory to the east and west of this country would be:

1. Lower tariffs.
2. Failing substantial reduction in tariffs, some compensation such as for instance that provided by the Maritime Freight Rates Act or by the subventions of Nova Scotia coal.
3. Least satisfactory of all is the granting of conditional subsidies from the Dominion Treasury.

Subsidies do not increase the general level of the prosperity of the people. It may make the task of Government a little easier. It may render the work of balancing the budget a little less difficult, but in the last analysis they do not add to the economic advancement of the people.

I point out these facts, not in any critical spirit, and with not the slightest feeling of envy for the material success that has been yours. As a Canadian I rejoice with you in that success. But as a Nova Scotian I feel that if I am to speak of Nova Scotia's relation to Confederation I should tell you what is in the minds or what at any rate I think is in the minds of most of our people.

As a Canadian, too, I realize that this great experiment in federation on which we embarked 70 years ago, can only endure through the adoption of policies which, so far as is humanly possible will have due regard for the welfare of all parts of this Dominion. I do not say that every part of Canada can be equally prosperous. Nature has not dowered all Provinces with equal and even generosity. But I do say with every earnestness that federal policies must take into account the interests not only of this or that portion of the Dominion, but of all its parts. They must consider not merely the populous and wealthy sections, but the most sparsely settled and the poor as well. In so far as federal measures and federal policies can provide it, there ought to be equal opportunity for the citizens of every Province of Canada.

In the beginning I said that the objects of Canadian Clubs could not be attained unless there was in every part of the Dominion a correct understanding and appreciation of common difficulties, of common problems. I know that few countries in the world present more acute problems of Government than does Canada with its diversities of race and tradition, of language and religion, of wealth and resources, of economic need and material desire. The task of harmonizing all these elements is indeed great, but it is the difficult and the dangerous effort that has always shouted

the most compelling challenge to adventurous souls. It is a task which we can attack with every confidence if we realize that we have already made contributions to Government and state-craft. We have achieved here a union of Provinces without revolution. We have shown that two great races could forget the jealousies and the strains of nearly ten centuries and live on this continent in peace and in harmony one with the other. We have been pioneers in a type of Government which has more than anything else led to the establishment of the British Commonwealth of Nations. We have given to the world an example of more than a century and a quarter of unbroken peace with a great and a powerful neighbour.

We have still a lofty mission and that mission as I see it is in the international field to take our full responsibility as members of the British Commonwealth and to maintain a peace of honour with the United States. In the domestic field our prime duty is to preserve our Dominion inviolate and to present to the world a continuing example of a country growing as ours grew by the expansion of the democratic principles from Government by a council to a representative Government, and then to responsible Government and crowning all to membership in the British Commonwealth of nations. Let us continue to show to the world that it is possible for people of different races, different languages, different faiths, different economic aspirations, to dwell together in Unity.

There are some who see in this very diversity of Canadian life a source of danger, but as to Canada and its people I prefer the view that was expressed by Sir Wilfred Laurier speaking to an audience in Nova Scotia nearly 40 years ago of the racial elements that enter into our national life. Sir Wilfred said that in Europe he had seen a great cathedral, a masterpiece of Gothic architecture in which granite, and marble, and oak and glass were all harmoniously blended, each maintaining its own identity, but each contributing its full share to the beauty and perfection of the whole. That cathedral, he said, was the image of the nation which he wished Canada to become. He would repel the idea of changing any of the Canadian elements.

He wanted the marble to remain the marble; the granite to remain the granite and the oak to remain the oak; he wanted the Englishman to remain the Englishman, the Scotsman to remain the Scotsman, the Irishman to continue the Irishman. He wanted to take all those elements and weld them into a nation that would be foremost amongst the powers of the world.

If I might say one last word of my own Province, it would be this that in the task of maintaining Canadian unity and Canadian greatness, Nova Scotians wish to play their full part. When I seek improvement in our economic position, I do so because I wish to remove discontent among our people. I wish to have them not merely contented Nova Scotians, but contented Canadian citizens as well. I look to the day when from one end of this country to the other, from Nova Scotia to British Columbia, and from the farthest north to the American boundary, every Canadian no matter what his Provincial allegiance, may be able to contemplate with pride the great Canadian heritage and may be able to say to the world concerning Canada: "Her ways are ways of pleasantness and her paths are paths of peace."