

Settlement was at first discouraged by the prohibition of land ownership and by other restrictive measures: the Newfoundland fishery was regarded as a "nursery for seamen" -- with the annual voyages from England providing ideal training for future naval recruits. Despite official opposition, however, there were more than 10,000 residents on the island by 1785.

The inevitability of permanent settlement was finally recognized. Private ownership of land was legalized after 1811, and the first resident Governor was appointed in 1817. By 1830, the population had risen to between 40,000 and 50,000. A representative assembly was established in 1832, and after prolonged agitation, responsible government was granted in 1855.

Among the key issues faced by the government during the following half-century was the revision of rights previously granted by England to foreign fishermen in Newfoundland territory. Thus, the "French Shore", on the western and northern coast, was considered an impediment to settlement and a source of serious competition to native fishermen in Mediterranean markets (due to the subsidies granted to their industry by the French government). The dispute was finally settled by the Anglo-French Convention of 1904: France gave up her claims in Newfoundland in return for concessions in Africa.

The rights of United States fishermen in Newfoundland waters posed a similar problem. The situation was clarified in 1910 by the Hague Tribunal, which defined the American fishing rights and ruled that the government of Newfoundland had rights of reasonable regulation.

The Confederation Issue

Two delegates from Newfoundland took an active part in the second pre-confederation conference at Quebec in 1864, and terms for the entry of Newfoundland into the proposed union were drafted. The government at St. John's, however, took no immediate decision and Newfoundland (like Prince Edward Island) was not represented at Westminster in 1866 when the British North America Act, creating the Dominion of Canada, was drawn up.

The B.N.A. Act provided for the admission of Newfoundland, should it later decide to enter the Canadian federation. When the issue was put to vote in Newfoundland in 1869, the pro-Confederation government was overwhelmingly defeated.

The Confederation issue was revived in 1894, following a serious financial crisis in Newfoundland. The failure of the two commercial banks, one of which was the government's financial agent, contributed to the jeopardy of the public credit, which had been greatly extended for purposes of railway development. Also, St. John's had not yet recovered from the effects of a disastrous fire two years earlier. Faced with the danger of possible default on its financial obligations, the government of Newfoundland sent a delegation to Ottawa in 1895 to investigate the possibility of confederation.

The conference soon broke down, however, over the question of financial terms. Although concessions were made by both sides, and despite an appeal to the British government to take over a portion of the Newfoundland debt in order to bridge the gap, no final agreement could be reached. The Canadian government felt unable to go much beyond the terms on which existing provinces had entered federation, lest they in turn demand upward revision of their terms to correspond with those granted to Newfoundland. The Newfoundland government, on the other hand, concluded that the terms offered by Canada were insufficient for Newfoundland to carry on as a province.

The failure to reach agreement created much bitterness in Newfoundland, where Canada's opposition to the proposed Blaine-Bond Convention of 1891 (which would have permitted Newfoundland fish to enter the United States free of duty), had not yet been forgotten. The financial crisis was finally averted through the successful placement of a long-term loan in London by