

Confederation, status quo or dominion?

hoped that Mr. Wailes or I would say something in repudiation which he could use in the political campaign in Newfoundland."

Two referenda

In the first referendum, which was held on June 3, 1948, 44.9 percent of the votes went to Responsible Government, 40.9 percent to Confederation with Canada and 14.2 percent to Commission of Government. Wainwright Abbott was of the opinion that the Senators' views were more influential than Judge Hudson's and that it was the prospect of economic union with the United States which gave Responsible Government the edge over Confederation. In the bitter campaign which preceded the runoff referendum on July 22 J.R. Smallwood and his followers managed to make the virtually assured benefits of Confederation with Canada seem more attractive than the somewhat ill-defined possibilities of economic union with the United States; they also played up Canada's "British" connection. In the end Confederation won over Responsible Government by the small margin of 52.3 percent.

(The final terms of union were negotiated in October, November and December 1948; Newfoundland became a Canadian province one minute before midnight on March 31, 1949.)

Let us look backward a little in time at one more ironic twist involving the United States. In 1947 Canada had a serious balance-of-payments problem. In November of that year, to alleviate it, the government sought to interest the United States in freer bilateral trade. The Americans countered with a proposal for a "modified customs union" — in effect, free trade with quotas to protect a few commodities. Negotiations to this end went on in great secrecy until May 1948 when, on domestic political grounds, Mackenzie King backed away from the plan — and the Americans acquiesced.

That all this happened at more or less the same time as the Newfoundland effort to whip up interest in economic union with the United States was purely fortuitous. Nevertheless, it is probably as well that the depth and extent of the United States-Canada plan were not public knowledge at that time. If they had been, the 1890s' trauma over the abortive Bond-Blaine Treaty might, to some Newfoundlanders, have seemed inoffensive by comparison. (Canada had strenuously opposed that free-trade arrangement between Newfoundland and the US, and it never went into effect.)

The handful of Canadian Ministers and officials who were party to the Canada-United States plan do not seem

to have given any very deliberate consideration to its potential effect on Newfoundland's economic interests. Perhaps it was thought that the United States would wish to make some suitable adjustment to take care of Newfoundland's requirements or, alternatively, that, by joining Canada, Newfoundland could share the benefits of a Canada-United States arrangement. The State Department did give consideration to the potential problem for Newfoundland and in fact was thinking very much along the above lines.

Few worries for US

In retrospect it seems clear that, as it looked at the Newfoundland scene in the postwar period, the United States was quite relaxed about the effect of any political developments on its interests. Military bases, the iron ore of Labrador, civil air rights — these, the Americans perhaps reflected, could probably be dealt with satisfactorily whether Newfoundland continued to be governed from London, resumed control of her own affairs or decided to join Canada. Moreover, if Canada wanted Newfoundland — and the Newfoundlanders were interested — the United States was not going to get in the way.

This attitude was clearly defined in another context when Raymond Gushue, Chairman of the Newfoundland Fisheries Board and a behind-the-scenes adviser to the economic union movement, called on his old friend John Hickerson at the State Department in late April 1948. Gushue was trying to smoke out the real reason for the impending visit to Washington of two Canadian Ministers, C.D. Howe and Douglas Abbott. Though the State Department did not yet know it, one reason for Howe's visit was — albeit reluctantly — to call off the free-trade negotiations. Talking to Gushue, Hickerson was not to be smoked out about those negotiations but, at one point in the conversation he said he "was sure Mr. Gushue would realize that Canada was obviously more important to the United States than was Newfoundland."

All this is not to say that we were mistaken in 1946 in thinking that, if Canada did not open its doors to Newfoundland, before long — in one way or another — the United States would. A failure of Canadian will, either in 1947 or in 1948, followed by renewed — and perhaps more official — expressions of Newfoundland interest in the United States, would probably have drawn the very small country toward the very large one like a filing toward a lodestone. In these circumstances not even J.R. Smallwood (for whom, in 1945, Confederation had been waiting since 1867) could have saved the day for Canada. □