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British Policy and Confederation

PHILLIP McCANN

Hitherto unpublished, this paper was read at a meeting of the Newfoundland Historical Society in 1983. It was the first paper on confederation to be based on then newly-released documentary materials in the Public Record Office in London, and it directly challenged prevailing assumptions. J.R. Smallwood was in the audience. Invited to comment on the paper, he went on the attack in characteristic manner, disparaging both McCann's arguments, and his ability, as a relative newcomer to the province, to understand the confederation era. The clash was widely reported in the national media. Subsequent academic research has supported the general thrust of Dr. McCann's argument. The paper has been lightly edited to reflect the passage of time since its original presentation. JKH

CONFEDERATION: Was Newfoundland "an international pawn being used by the United Kingdom government for the purpose of making international deals with the United States and Canada,"[1] as the anti-Confederate Peter Cashin alleged? Or was union brought about by "the oratory, will-power and efficiency" of Joseph Smallwood, who, in Richard Gwyn's words, "virtually single-handed...dragged Newfoundland into the twentieth century"?[2] Most accounts of the period tend to support Gwyn's thesis — as E. H. Carr has pointed out, history is usually written by the victors[3] — and the allegations of Cashin and the supporters of responsible government as to British perfidy have been largely discounted. Harold Horwood once stated specifically, with regard to a "confederation plot," that he was

> perfectly sure that nothing could be further from the truth. If there were any machinations at all between Governor Macdonald and the government of Canada and the government of Great Britain, then those of us who fought the campaign for Confederation in Newfoundland would have known about it...if Smallwood had known about it, I would have known about it, and I didn't.[4]

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Senator Rowe was more cautious in his *History of Newfoundland and Labrador*. After reviewing the available evidence, he concluded that "while there would seem to be no concrete evidence that Britain had deliberately conceived a plot designed to get Newfoundland into Confederation, my own conviction is she was hoping Confederation would take place ..." And he added, "in the absence of documentary evidence, the question must remain unanswered."[5] St. John Chadwick, a member of the Dominions Office closely connected with Newfoundland affairs during the confederation negotiations, in 1968 published *Newfoundland: Island into Province*; confining himself largely to secondary sources, he made no revelations about British policy.

I intend, in this paper, to examine the issue on the basis of recently-released documents in the Public Record Office, London. Most governments, in their wisdom, allow thirty years to elapse before they let the people learn what they have been doing in their name. Most of the papers of the Dominions Office, the Treasury and the British Cabinet for the period up to 1949 are now available to researchers and they throw a flood of light on what A. P. Herbert, M. P., a great champion of Newfoundland, called "the most testing and complicated puzzle in the whole Imperial scene."[6]

The story does not begin in December 1945, with the announcement of the Convention, as most accounts suggest, but in September 1942, at the height of the war with Germany, when Clement Attlee, Secretary of State for the Dominions and Deputy Prime Minister in the wartime coalition government, paid a brief visit to Newfoundland. Since 1934, Newfoundland and Labrador had been ruled by a benevolent dictatorship consisting of three British and three Newfoundland commissioners under the chairmanship of the British-appointed governor. Attlee, who had opposed the institution of Commission of Government in Parliament nine years earlier,[7] was aware that Newfoundland's political status possibly contradicted the principles of the Atlantic Charter concerning self-government. In addition, Attlee felt there was the likelihood of social and economic difficulties when the war ended. In the short term he felt education in democracy by the development of local and regional government was necessary; in the long term an advance to self-government in stages. Confederation he dismissed as "unlikely to be acceptable to public opinion in either country." As an interim measure he suggested that a visit by British M.P.s would be of benefit to both countries.[8]

Attlee's constitutional proposals were not to the liking of the Commission of Government. After pointing out that merchant opinion favoured the status quo, and that the great majority of Newfoundlanders desired responsible government with British financial backing, the Commission argued for incorporation in Canada as the best solution to the country's difficulties. Confederation would be preferable to Newfoundlanders if it were seen as an alternative to economic collapse, which responsible government with British grants-in-aid would surely involve. Furthermore, Canada's present and growing interest in Newfoundland, fear of an increase

in United States influence, and a desire to acquire Labrador, were all powerful factors in the situation. "At no time", asserted the Commission, "has our bargaining position been so favourable and it is doubtful if it ever will be so again." They did not propose a formal approach to Canada, "but it is one of the alternatives which we consider might be explored in secret between persons in the highest quarters."[9]

Attlee promised to bear this point of view — the first serious advocacy of confederation — in mind. Further food for thought was provided by the Goodwill Mission of three M.P.s which arrived in June 1943 for a three-month visit, and was made up of Charles (later Lord) Ammon, a Labour M.P., Sir Derrick Gunston, a Conservative, and A.P. Herbert, sailor, writer, reformer and wit, the Independent member for Oxford University, whose desire to see Newfoundland fully independent was equalled only by his concern that it remain in the family of British nations. Differing widely on details, the three M.P.s were in accord in their assessment of the Newfoundland situation: a general, if rather vaguely-defined, feeling among Newfoundlanders for a return to some form of self-government after the war; distrust of the pre-1933 type of politician; a marked lack of enthusiasm for the Commission of Government; a favourable response to the suggestion that self-government might be arranged in stages; and overwhelming opposition to any link with Canada (though Ammon felt it should be kept in mind).

The strongest impression made on the visitors was that, despite a measure of wartime prosperity, the standard of amenities, social services and communications was very low. Their conclusion was that little could be done without outside financial help, and that the British government should, by means of a development loan — figures of £16 and £20 million were mentioned — help to finance a ten-year recovery programme covering health, agriculture, the fisheries and so on. "You cannot run the British Empire unless you are prepared to pay for it," argued Ammon; "I want to say quite plainly, that Newfoundland is a disgrace, economically and socially, to the British Empire ..."[10]

The mission had two effects: first, it rediscovered Newfoundland (whose people, Herbert felt, were "most extraordinarily British"[11]) for the Parliament and public of the U.K.; second, the mission's ardent advocacy of independence plus financial aid forced the Dominions Office to consider this as an important element of post-war policy.

"Hidden in [the] midst [of the Dominions Office]," wrote Chadwick, "there still survived a handful of officers concerned with Newfoundland affairs."[12] Among them were Chadwick himself, Erich Machtig and the outstanding expert on Newfoundland, Alexander Clutterbuck, later British High Commissioner to Canada. On their initiative memoranda went back and forth, and Lord Cranborne, a Conservative, who had succeeded Attlee as Secretary of State for the Dominions, twice brought the Newfoundland issue before the War Cabinet. The various suggestions put forward by the Commission of Government and the Goodwill Mission were discussed, including both Confederation (which Cranborne thought the best long-

term solution) and a proposal by Lord Beaverbrook, the Canadian champion of the Empire, for immediate dominion status, but an extremely cautious policy was finally adopted, and announced in the House of Commons on 2 December 1943.[13]

The statement declared that the issue should be viewed in the light of the 1933 Newfoundland Act, under which responsible government would be restored, at the request of the people, as soon as Newfoundland was again financially self-supporting. Wartime conditions precluded any immediate change of government. But as soon as practicable after the end of the war in Europe, machinery — possibly some form of convention — should be set up to enable the people of Newfoundland to examine the position and decide the form of government they desired. The British government, for its part, would "facilitate" an expressed desire to return to responsible government, and "examine sympathetically" either a modified form of this, or a continuation of the Commission.[14]

Straightforward and generous as it seemed, the announcement contained two fundamental changes of policy. The Newfoundland Act of 1933, which suspended responsible government and inaugurated Commission of Government, stated quite specifically that

> It would be understood that, as soon as the Island's difficulties are overcome and the country is again self-supporting, responsible government, on request from the people of Newfoundland, would be restored.[15]

Newfoundland, in 1943, was at least technically self-sufficient — according to Cranborne it had a surplus of $11 million[16] — and while wartime conditions might justifiably be used to delay restoration of responsible government, the institution of a convention was a violation of the spirit, if not of the letter, of the act. Furthermore, the phrase used in the Commons statement: "to express their considered views as to the form of government they desire," widened the options from Commission or responsible government to any possible number of intermediate forms or even to some third choice, as the Commission of Government was quick to point out, and correspondents in the St. John's press, early in 1944, were to underline. The Commissioner for Natural Resources, P.D.H. Dunn, claiming to reflect public opinion, further urged the British government to draw up a reconstruction scheme, provide the necessary funds and then immediately hold a plebiscite for or against restoration of responsible government.[17]

This, however, was precisely what the Dominions Office wished to avoid. Haunted by memories of the near-bankruptcy of 1933, it looked upon loans to Newfoundland as the surest way to repeat the debacle. Even limited assistance to a responsible government might lead them to "acquire the habit of spending money, while leaving the revenue to look after itself." On the other hand, the clamour for aid to Newfoundland in both Britain and the Island could not be ignored; blueprints for post-war reconstruction in both Britain and the Empire were being produced

thick and fast. The solution was a typical piece of Dominions Office strategy. It requested the Commission to produce a 10-year reconstruction programme, but hedged the economic side with innumerable qualifications: it should concentrate heavily on the capital costs of earning-power schemes, the early stages should be financed from the existing surplus, the financing of the later stages would be a matter for future discussion and the whole project would be subject to consultation with the Treasury.[18]

The Commission took heed of the request but ignored the warning. In September 1944 Governor Walwyn announced that the Commission had completed the outline of a reconstruction programme for the social and economic development of Newfoundland. One hundred million dollars was required, "to be financed over a period of ten years out of funds to be provided by the Government of the U.K." Detailed schemes for fisheries, agriculture and land development were submitted, and projects for roads, education and medical services communicated semi-officially.[19]

This two-year period, from September 1942 to September 1944, can thus be seen as the opening phase in the long drama of confederation. The Dominions Office could congratulate itself on escaping the obligation to restore responsible government by substituting the unassailably democratic structure of a convention for the discussion of any number of solutions to the constitutional problem, including confederation. In the circumstances of the time, however, it could not avoid being saddled with a bill for $100,000,000 for post-war reconstruction. This nine-figure sum was to be the hinge on which the whole future of Newfoundland was to turn.

The Dominions Office at this point put the whole matter in the hands of the Treasury, and a new chapter in Newfoundland's history began (though Newfoundlanders were not to know it) in which the question of the post-war reconstruction of Newfoundland became entangled with plans for the re-organisation of the international monetary system, and the financial status and interrelationship of Britain, Canada and the United States.

The situation was complex, but the crux of the matter was the rapid wartime growth of the American and Canadian economies, and the severely weakened financial situation of Britain.[20] The three countries all wanted a freer and less restrictive world trading system after the war, with convertibility and stable exchange rates. This resulted in the creation of the International Monetary Fund in July 1944, the architects of which were Harry Dexter White of the U.S.A. and John Maynard Keynes of Great Britain. The U.S.A. wished to remain the strongest creditor nation in the new system; Canada wanted freedom to trade with both Britain and the U.S.A.; and Britain wanted access to North American dollars. During the later stages of the war, from 1944 onwards, Britain was almost continuously engaged in negotiations with the Canadians and Americans for financial aid to support the war effort, and for reconstruction loans.[21]

The relevance of these negotiations to the Newfoundland situation was evident in the reaction of the Bank of England and the Treasury to the proposed $100,000,000 reconstruction scheme of the Commission of Government. The Bank bluntly stated that it was "out of the question" that Britain should prejudice meeting "its great Canadian dollar difficulties" by borrowing in any form from Canada for the Newfoundland account.[22] A long Treasury memorandum of 16 November 1944, on the question of what an official termed "the $100,000,000 gift to Newfoundland"[23] was equally hostile.

The situation would be eased, the memo stated, if Canada were to lend Britain dollars to finance projects in Newfoundland (which used Canadian currency) without interest or at a very low rate. But as Britain needed Canadian financial aid for its own needs, the amount of assistance in respect of Newfoundland would correspondingly diminish the British share and, in effect, lead to a drain on Britain's dollar resources. This, in turn, would necessitate additional borrowing from the United States, and the more Britain had to borrow, the more likely unacceptable conditions would be attached, and the greater the danger that its position as one of the three great powers would be undermined by financial weakness. Thus, though the proposed expenditure might be "politically and economically very desirable," it was a melancholy fact that Britain, if it were to obtain necessary food and raw materials, could not afford it.[24] It was symptomatic of the changing balance of power in the world that Britain could envisage its great-power status being undermined by a monetary advance to Newfoundland.

The Dominions Office, pledged to aid Newfoundland , riposted with a memorandum by Clutterbuck, which argued that the issue was not between spending or saving dollars, but between giving Newfoundland stability for ten years or "holding aloof until its surplus [by now $20,000,000] is exhausted with the virtual certainty that we shall then have to come to its assistance in a big way." Dominions Office policy, he added, fulfilled the essential requirement of enabling the U.K. to withdraw from control of Newfoundland's internal affairs while still keeping it straight financially.[25]

Cranborne, the Dominions Secretary, attempted to repair the rift between the two departments by suggesting a joint note, which should discuss not only the dollar problem in relation to Newfoundland but also, and significantly, "the possible lines of an approach to Canada."[26] On the economic issue, the joint note made clear that there could be "no question of His Majesty's Government handing over $100,000,000 to the Newfoundland Government for the latter to dispose of as they think fit." The sum was to be a ceiling within which grants from United Kingdom funds could be made over a period of ten years for jointly-agreed schemes.[27]

On the political side, a long analysis was made of Canadian-Newfoundland relations. Canada, viewing Newfoundland with "detachment, condescension and even contempt," believed that the colony would one day fall into the Canadian lap. Newfoundlanders saw entry into "the cold and comfortless Canadian fold" as

disastrous and were determined at all costs "to hold on to their precious independence." But Canada, made aware during the war that Newfoundland was essential to its defence, was alarmed at the American presence there, the friendliness of American troops (as compared with the attitude of the Canadian forces) and the movement for some form of union with the United States. "In this atmosphere," the note asserted, "the Canadians dare not make Newfoundlanders an offer, for fear it would be rejected, as indeed it certainly would be." So the Canadians confined themselves to friendly assurances that if Newfoundland wished to turn to Canada, they would be assured of a warm and sympathetic welcome — an attitude which cut no ice with Newfoundlanders, who in fact treated it with "something approaching derision."

Canada, realizing that Newfoundland's choice of post-war government would not be confederation, would want, as the next best thing, reasonable stability there until the barriers to union were broken down. "This," the memorandum emphasized, "is exactly what our proposals are calculated to provide." To seek assistance from Canada in the reconstruction schemes would not only lead Newfoundland opinion "to suspect that there was some conspiracy afoot between us and the Canadians in relation to the Island," but also prejudice Britain's negotiations with Canada for post-war financial assistance. The conclusion was that, both politically and financially, it would suit Britain best to finance the reconstruction programme from its own dollars and to secure Canadian acquiescence in this course, "on a most secret basis."[28]

At this point there occurred a dramatic intervention by John Maynard Keynes. His name is more usually associated with the *General Theory of Employment, Interest and Money* than with Newfoundland, but it is not too fanciful to say that Keynes' brief intervention in Newfoundland affairs was decisive for that country's future. As semi-official advisor to the Treasury during the latter stages of the war, and with high prestige as one of the architects of the post-war international monetary organization, he was consulted on all important problems and his advice generally followed. Taking his cue from a commentary on the joint note by Sir William Gilbert, which was the last item in the Treasury file he was given,[29] Keynes applied his own brand of economic rationalism to the current proposals.

These were, he felt, "somewhat frantic," and when his eye had lighted on the suggestion that Newfoundland should receive a grant of $100,000,000, his first reaction was that "$100 million must be a misprint for $10 million," adding, "I still think it is better so regarded." He had, he observed, recently been busy informing the Canadians that Britain had no resources it could make available in Canada during the war, and after the war would need the utmost limit of what it could afford to borrow from Canada in order to pay for its agricultural and other imports. Britain would thus "look extremely silly," or risk appearing to have fooled the Canadians, if it were to produce the above sums or take on such a commitment, even spread

over a number of years, or to ask Canada to lend the money, since the amount Britain could borrow from Canada was set by its capacity to service such a loan.

Keynes was equally scornful of the political case. "The argument seems to be," he wrote, "that the Newfoundlanders will overcome their reluctance to leave us and put themselves in the hands of Canada if we give them great sums. It would have been natural to conclude the exact opposite, namely that, after this signal mark of our favour, the Newfoundlanders would be still more reluctant to part company with us." In any case, Keynes argued, the first step was for Britain to put all its cards on the table for a frank discussion with the Canadian government; it was possible that something might emerge. Some arrangements with the Canadians about Labrador might form a bridge; Canada's interest was, of course, as much in Labrador as in Newfoundland itself, namely the potential of the air traffic centre at Goose Bay, its great timber reserves and important mineral deposits. "I should not be at all surprised," continued Keynes, "if Canada would not be prepared both to pay Newfoundland the $100 million in question and also take over their sterling debt ... if Newfoundland would transfer Labrador to them." If a deal over Labrador proved politically impracticable, then some way should be found of making Newfoundland at the earliest possible date the responsibility of Canada. "Newfoundland's reluctance to the Canadian connection is well-known", he concluded. "Is it not common sense to suppose that it is not for us to make an unconditional grant as proposed, but for the Canadians to exercise comparable financial generosity on condition that the Newfoundlanders waive the objection they have felt hitherto?"[30]

Thus began the third phase in the attempt to solve the Newfoundland problem — that of persuading the Canadians to take an active interest in bringing Newfoundland into confederation. But this new direction of policy brought further difficulties. The Dominions Office continued to refuse to associate itself wholeheartedly with Treasury policy, Cranborne asserting that it was a "fundamental alteration" to his department's plan. Responsive to what might be called the "sentimental imperialist" attitude towards Newfoundland, epitomised by A.P. Herbert and his supporters, Cranborne maintained that it would be an anomalous and hardly tenable position if, within the dependent Empire, only Newfoundland was left to fend for itself; add to this the special Newfoundland relationship and "the case for assistance becomes overwhelming." In addition, Cranborne felt that the time was not opportune to contact the Canadians, unless it were possible to disclose the broad outline of the scheme in view. The problem of Newfoundland, he felt, was essentially one for the post-war period.[31] Cranborne's views prevailed. The whole issue was put off to a later date, the Commission of Government was informed, and a statement on 30 January 1945 postponed the setting-up of a convention until the following year.[32] The continuation of the war in Europe was given as the reason.

This policy of delay did not, however, have the desired effect. Less than a month later a worried Cranborne was writing once more to the Chancellor of the

Exchequer, informing him that he was under "increasing pressure," in both Newfoundland and the British Parliament, to make some detailed proposals. This pressure was likely, before long, to reach "formidable proportions," and he was handicapped by not being able to make public the real reason for the delay — the dollar difficulty — "except in the most guarded terms." He wished to press forward with his scheme of aid to Newfoundland "at the earliest possible moment." This, he conceded, would not exclude sounding the Canadians on the confederation issue, though the precise timetable was dependent on their position regarding trade prospects with the sterling area in the immediate post-war period.[33]

Cranborne had a chance to sound the Canadians personally four months later (nothing further having been done in the meantime) when he met a Canadian official informally at a conference in San Francisco, and he gained the impression that Canada was more strongly in favour of confederation than had previously been assumed, and had made some calculations as to the cost of modernising Newfoundland's social services. "I kept very dark as to our own proposals", Cranborne informed the Foreign Office.[34] It should be remembered that even at this late date — June 1945 — the Canadians officially knew nothing of any British proposals for Newfoundland. Treasury officials advised the Chancellor to inform Cranborne that he should maintain secrecy during a proposed visit to Ottawa, lest disclosure sabotage the negotiations then taking place for further military and financial aid from Canada.[35] The Dominions Office agreed, but argued that Clutterbuck should be sent to Ottawa as soon as practicable to discuss the position with the Canadians.[36]

In the late summer of 1945 a world-shaking event dramatically changed the situation. The war against Japan, which had been expected to last a further year at least, ended in the fires of Hiroshima and Nagasaki on 15 August. A few weeks earlier a Labour government had been elected in Britain and was preparing to take office with Attlee as Prime Minister. Several historians — Noel, Gwyn, Rowe — have seen this as the catalyst of the confederation issue, and the first two have depicted the Labour government as ideologically impelled to give away the Empire, including Newfoundland.[37] Most writers on the subject, in fact, date the beginning of the confederation story from the accession of Labour in July 1945. But this must be questioned. The Labour government's attitude to the colonies was a pragmatic one, and confederation, as we have seen, had been an option in British strategy since at least 1943. Moreover, policy initiatives tended to originate with the permanent officials of the Treasury and Dominions Office rather than on the parliamentary benches.

The really significant factor was the early ending of the war with Japan. This brought the post-war situation into short rather than long focus, and made some contact with the Canadians more imperative than ever. Lord Addison (formerly Christopher Addison, a sometime Liberal M.P.), the new Secretary of State for Dominions Office, found that one of the urgent questions to be dealt with was "the Newfoundland problem" and sanctioned Clutterbuck's proposed visit to Ottawa.[38]

The Treasury had little difficulty in persuading Hugh Dalton, the new Chancellor, that time was so pressing that the only solution which now presented itself, despite all the dangers which might accrue, was to face the Canadians with a request to finance the reconstruction programme. A memorandum of 17 August 1945 explained:

> The conclusion so far reached, therefore, is that if anything like this programme is to be financed it can only be financed with the help of Canada, and Canada may well make as its price for assisting a request that Newfoundland should link up with Canada in future rather than with this country. This is a proposal which would be welcome in the Treasury, but which would raise acute political problems. Mr. Clutterbuck will, therefore, be handling explosive stuff in his proposed conversations.[39]

Clutterbuck arrived in Ottawa on 15 September 1945. He was under the impression, largely derived from Cranborne, that the Canadians had given some practical consideration to the confederation issue, even to a calculation of its probable cost. He thus began the talks with a gentlemanly hint that Britain had made a "reconsideration" of financial aid to Newfoundland and waited for his hosts to talk business. To his amazement there was a negative response from the Canadians. He found "an almost complete absence of interest in Newfoundland affairs," even by ministers. Their analysis of the probable cost of confederation, he found, had merely been an academic exercise, and they certainly had no intention of supplying Newfoundland with dollars nor of lending them to Britain for that purpose.

This was a serious set-back to British hopes. Clutterbuck was forced to set aside diplomatic niceties and make an undisguised appeal to Canadian self-interest, placing Keynes' "riches-of-Labrador" card squarely on the table. If neither Britain nor Canada would help Newfoundland, he asserted, it would turn to the U.S.A. Was Canada indifferent to this? Newfoundland played a vital role in defence strategy, and Labrador was waiting to be developed. Surely, he asked, Canada was interested in these issues?

It was touch and go, but in the end the Canadians were persuaded. Thus the one great hurdle — bringing the Canadians to an active interest in confederation — was cleared. After an assurance by Clutterbuck that Britain would welcome any move towards confederation at the forthcoming convention, it was agreed that the strongest cards to be played to bring about this result would be the dissemination of the details of Canada's new social security measures, plus a public statement by the United Kingdom that no assistance would be forthcoming.[40] By means of this ideological pincer-movement, it was hoped that the last piece of the jigsaw — the creation of a Newfoundland movement for confederation — could be forced into place.

So important were these new developments that Clutterbuck's report and its implications were discussed by the British cabinet four times between 18 October

and 27 November 1945. There was no immediate agreement — doubts were expressed by some members of the Cabinet that confederation was, in fact, Newfoundland's ultimate destiny, particularly as there was a possibility of increasing American influence in Canada, and some ministers felt that it should not be assumed that the country could not become economically independent. But Addison's persuasive arguments that Newfoundland could not hope for dollars for reconstruction from either Britain or Canada, plus what he presciently called the "overwhelming significance" of the new Canadian social security and family allowance programme, won the day. A statement would forthwith be issued, but it would exclude any reference to union with Canada. "No hint that this is the solution envisaged," warned Addison, "should be allowed to come out here or in Newfoundland."[41]

The Cabinet decision was a triumph for Treasury policy; its officials were gratified that the Dominions Office had at last given up the idea of financing reconstruction and come around to the "realistic" Treasury view. There would now be no need to find dollars for Newfoundland, and Britain could approach Canada and the U.S.A. for loans without the $100 million dollar incubus on its back; an American loan for $3.75 billion was, in fact, secured in December 1945, a Canadian loan for $1.25 billion three months later.[42] With its customary regard for finesse, however, the Treasury advised that the wording, in the proposed statement, of the United Kingdom's inability to assist Newfoundland financially should, for tactical reasons, be couched "... in general terms. The process of making Newfoundland's flesh creep must be reserved for the Convention stage."[43]

On 11 December, 1945 Prime Minister Attlee made his famous statement: a Convention would be set up in 1946, to debate and recommend to His Majesty's Government "the possible forms of future government to be put before the people at a national referendum"; reconstruction plans would go forward on a two- to three-year plan, but the special difficulties of Britain's financial position over the next few years "may well preclude us from undertaking fresh commitments"[44] — a statement as general as any Treasury official would wish.

Attlee's announcement had one immediate, unlooked-for and, from the British government's point of view, highly acceptable result. In the Ford Hotel in Montreal on 11 December Joseph Smallwood read a headline in the *Montreal Star*: "Old Colony to Regain Self-Rule. Newfoundland Program Given in British House."[45] "Here at long last," he rejoiced, "approached the moment and the opportunity for Newfoundlanders to settle their own fate," and, he added, "I was going to be in it."[46]

This marks the beginning of the last chapter in the confederation story, though nearly all accounts of the period make it the first. All that remained for the British government to do was watch the progress of the battle in Newfoundland and to smooth the path of the confederates, who from the moment of the meeting of the Convention in September 1946 were in a minority among the delegates. Clutter-

buck, on his return from Ottawa a year earlier, had suggested that the Canadians and the British should examine "possible ways of influencing Newfoundland opinion behind the scenes."[47] To what extent, if at all, this was done, is not known, but some overt moves were certainly made. The British had already had the foresight to ensure that candidates should be resident in their constituencies, which reduced the number of Responsibles and also, by an unforeseen stroke of luck, let in Joey Smallwood in Bonavista Centre.[48] The Convention was reminded that "no cause for which there is substantial backing would be excluded from consideration," even if supported by only a minority.[49] The new governor happened to be a pro-Confederate member of the Labour Party, who ordered the Convention proceedings to be broadcast (to the great and decisive advantage of the only experienced broadcaster in the Convention, Joey Smallwood) and allowed two members of his government to campaign for Confederation.[50] Furthermore, it will come as no surprise at all to find that the British constitutional advisor to the Convention, Professor K.C. Wheare, was the author of the standard work on federal government.[51] Finally, on Treasury insistence, the Commission made the delegates' flesh creep by advising that reconstruction plans for 1947-49 should be financed entirely from Newfoundland funds.[52]

One more task remained — to give cold comfort to the pro-responsible government delegation to London in May 1947. The Dominions Office was supplied in advance with libellous character sketches of Cashin, Crosbie and Hollett by the industrious Professor Wheare.[53] Second-rank politicians gave the delegates a very low-key reception in London, a Treasury official cynically observing "if the deputation to Canada gets better treatment that may be all to the good."[54] Lord Addison stonewalled monotonously on all issues raised by the deputation, and protested, perhaps a little too much, that Britain was acting "in all good faith" and had "no preconceived ideas" as to the future of Newfoundland.[55] A Treasury official summed it up — "no prizes were dangled in their eyes."[56] Lord Beaverbrook was more blunt; "our rulers," he declared, "spoke for Britain with the voice of a shark lawyer."[57]

Ironically, after all this scene-setting, the Convention, in the last week of January 1948, voted 29-16 against including confederation on the ballot paper. Lord Addison, witnessing years of secret diplomacy apparently come to nothing, found it "intolerable" that a group of "political aspirants," acting on "bitter party lines," should be "successful in a manoeuvre which would prevent the matter being submitted to the people of Newfoundland."[58] Some hectic diplomatic activity followed. Clutterbuck (now High Commissioner to Canada) and Governor Macdonald flew to London, and the latter then set off for New York to see J. P. Noel-Baker, Addison's successor.[59] Finally the British government exercised its prerogative and on 2 March 1948 ordered confederation to be placed on the ballot paper.[60] There was a risk, as Addison had earlier warned, of appearing to impose confederation on Newfoundland,[61] but no other course was open, and possibly the

great confederate telegram campaign of February gave cause to hope that the situation might swing Britain's way.[62]

The rest is history — Newfoundland's history. But as this is a study of British policy, one footnote may be permitted. Three days before the vote on the second referendum on 22 July 1948, Philip Noel-Baker, Secretary of State for Commonwealth Relations (as it was by then called), issued a memorandum to the Cabinet, pointing out that the vote was expected to be close, a great number of supporters of responsible government, who might be committed to confederation against their will, were concentrated in and around St. John's, and there was thus a risk of civil disturbance. He continued:

> As a precautionary measure, and after discussion with the Prime Minister, I have thought it right to ask the First Lord of the Admiralty whether he can arrange for a warship to be available in Western Atlantic waters at the time of the referendum and able to move in to St. John's at short notice on call. I hope very much in fact there will be no disturbances; but we must be prepared to maintain order as long as we are in charge of the island.[63]

It was a fittingly symbolic ending to the British connection with Newfoundland, which 365 years earlier had begun with Gilbert's ship approaching the Narrows. What conclusions can we draw from the diplomatic manoeuvres of the last six years of British rule? First, that the validity and integrity of the confederate campaign, led by Joe Smallwood, is in no way diminished. But it must be seen in its true perspective as the final act of a long process rather than as a thing-in-itself, an aspect of a larger scenario rather than having an importance peculiarly its own. Second, the belief of Peter Cashin and the Responsibles that Britain was engaged in a "plot" or "conspiracy" must be given greater credence. There can be little doubt that the situation which brought about confederation was engineered by the British, almost entirely in secret and largely by the Treasury. Both Newfoundland and Labrador were used as pawns in a deal with the Canadians. A.P. Herbert, the nearest thing in Britain to a Newfoundland nationalist, wrote, perhaps prophetically, in 1950: "A Frenchman said that Labrador was the country that God gave to Cain. History may say that it was the country that Britain gave to Canada."[64]

Notes

[1]P. Cashin, cited in R. Gwyn, *Smallwood: The Unlikely Revolutionary* (Toronto 1974), p. 86.

[2]*Ibid.*, p. 96; p. 112.

[3]E. H. Carr, *What Is History?* (London 1962), pp. 167-8.

[4]H. Horwood, "Newfoundland and Confederation, 1948-49," in M. Wade (ed.), *Regionalism in the Canadian Community* (Toronto 1964).

[5]F. W. Rowe, *History of Newfoundland and Labrador* (Toronto 1980), p. 459; p. 461.

[6]A. P. Herbert, cited in St. J. Chadwick, *Island into Province* (Cambridge 1967), p. 190.

[7]C. Attlee, cited in P. Neary, *The Political Economy of Newfoundland, 1929-1972* (Toronto 1973), pp. 56-9.

[8]Public Record Office, London [PRO], Dominions Office [DO] 114/103 N2/73, Tel. from Dominions Secretary. to Nfld. Govt., 25 Nov. 1942; DO 114/103 N402/2, Tel. from Dominions Secretary. to Nfld. Govt., 17 Mar. 1943.

[9]DO 114/103 N402/2, Tel. from Nfld. Govt. to DO, 15 Jan. 1943.

[10]A. P. Herbert, *Independent Member* (London 1950), p. 252 ff.; *Newfoundland, Present and Future* (London, 1943), *passim*; House of Commons, debate on Newfoundland, 16 Dec. 1943, cited in Chadwick, *Island into Province*, pp. 189-91.

[11]*Newfoundland: Present and Future*, p. 16.

[12]Chadwick, *Island into Province*, p. 182.

[13]PRO, Cabinet [CAB] 66/43 WP (43) 507, Memo. by Dominions Secretary , 8 Nov. 1943; CAB 66/43 WP (43) 523, Memo by Lord Privy Seal, 18 Nov. 1943.

[14]Parliamentary Under-Secretary for Dominion Affairs, House of Commons, 2 Dec. 1943, cited in Chadwick, *Island into Province*, pp. 186-87.

[15]24 Geo. 5, Newfoundland Act 1933, Annex, (g).

[16]CAB 66/43 WP (43) 507, Memo by S.S.D.A., 8 Nov. 1943.

[17]DO 114/103 N402/1/11, Tel. from Nfld. Govt. to D.O., 23 Feb. 1944.

[18]DO 114/103 N402/1/11. Tel. from S.S.D.A. to Nfld. Govt., 6 Jan. 1944.

[19]DO 114/103 N402/29, Desp. from Nfld. Govt. to D.O., 25 and 29 Sept. 1944.

[20]PRO, Treasury [T] 220/61 IF 71/296/03, Treasury paper, "Britain's External Financial Position" (n.d. ? May 1947).

[21]F.H. Soward, *Canada in World Affairs: From Normandy to Paris, 1944-1946* (Toronto 1950), p. 107 ff; H.G. Johnson, *Canada in a Changing World Economy* (Toronto 1962), *passim*; A.W. F. Plumptre, *Three Decades of Decision: Canada and the World Monetary System 1944-75* (Toronto 1977); R.F. Harrod, *The Life of John Maynard Keynes* (London 1952), p. 525 ff; R.N. Gardner, *Sterling - Dollar Diplomacy* (New York 1969), *passim*.

[22]T220/60 IF 15/012, C.F. Cobbold to Sir D. Waley, 27 Oct. 1944.

[23]T220/60 IF 15/012, Tr. note, 2 Nov. 1944.

[24]T220/60 IF 15.012, S.D.W. to Sir W. Eady, 16 Nov. 1944.

[25]T220/60 IF 15/012, DO memo initialled P.A.C., 17 Nov. 1944.

[26]T220/60 IF 15/012, Tr. note, "Newfoundland," 16 Nov. 1944.

[27]T220/60 IF 15/012, "Newfoundland: Joint Note by Treasury and Dominions Office" (n.d., c. Nov. 1944).

[28]T220/60 IF 15/012, Memo entitled "The Approach to Canada" (n.d., c. Nov. 1944).

[29]T220/60 IF 15/012, Tr. memo, initialled B.W.G., 7 Dec. 1944.

[30]T220/60 IF 15/012, Tr. memo, signed Keynes, 18 Dec. 1944.

[31]T220/60 IF 15.012, Cranborne to Sir John Anderson, 19 Jan. 1945.

[32]Lord Cranborne, House of Lords, 30 Jan. 1945, cited in Chadwick, *Island into Province*, pp. 192-3.

[33]T220/60 IF 15/012, Cranborne to Anderson, 20 Feb. 1945.

[34]T220/60 IF 15/012, Tel., Cranborne to Foreign Office, 14 June 1945.

[35]T220/60 IF 15/012, Tr. note, initialled W.E., 16 June 1945.

[36]T220/60 IF 15/012 , E. Machtig to Sir W. Eady, 27 June 1945.

[37]S.J.R. Noel, *Politics in Newfoundland* (Toronto 1971), p. 244; Gwyn, *Smallwood*, p. 58; Rowe, *History of Newfoundland*, p. 460.

[38]T220/60 IF 15/012, Addison to Hugh Dalton, 15 Aug. 1945.

[39]T220/60 IF 15/012, Tr. note initialled A.J.D.W., 17 Aug. 1945; cf. also Dalton to Lord Addison, 30 Aug. 1945.

[40]CAB 129/3 CP (45) 234, Cabinet memoranda and discussion, 18 Oct. 1945.

[41]CAB 129/3 CP (45) 234, 18 Oct. 1945; CAB 128/2 48 (45) 5, 1 Nov. 1945; CAB 129/4 CP (45) 292, 21 Nov. 1945; CAB 128/2 56 (45) 5, 27 Nov. 1945.

[42]Plumptre, *Three Decades of Decision*, p. 75; p. 77.

[43]T220/60 IF 15/012, Tr. note entitled "Cabinet: Nfld," initialled A.J.D.W., 25 Oct. 1945.

[44]C. Attlee, House of Commons, Dec. 1945, cited in Chadwick, *Island into Province*, p. 193.

[45]Gwyn, *Smallwood*, p. 58.

[46]J. R. Smallwood, *I Chose Canada* (Toronto 1973), p. 226.

[47]CAB 129/3 CP (45) 234, 18 Oct. 1945.

[48]Noel, *Politics in Newfoundland*, p. 246; pp. 248-9.

[49]DO 114/103 N 402/48, Desp. from S.S.D.A. to Nfld. Govt., encl. NOTE (re Convention procedure), 17 June 1945.

[50]Noel, *Politics in Newfoundland*, p. 257; p. 258; Gwyn, *Smallwood*, p. 60.

[51]Cf. K. C. Wheare, *Federal Government* (London 1946).

[52]DO 114/103 N 402/55, H.N. Tait to I. Wild, 6 July 1946; W.R. Edmunds to G.W. St. J. Chadwick, 19 June 1946.

[53]DO 35/3446 N 2005/13, Wheare to Syers, 20 Mar. 1947.

[54]T220/61 IF 71/296/03, Tr. note initialled L.M.T., 23 Apr. 1947.

[55]DO 35/3448 N 2005/24, "3rd Meeting with Delegation from Newfoundland National Convention," 7 May 1947.

[56]T220/61 IF 71/296/03, "Memorandum on Visit of Newfoundland Delegation," 8 May 1947.

[57]DO 35/3444 N 2005/1, citing *Daily Express*, 26 June 1947.

[58]DO 35/3456 N 2005/51, Addison to Attlee, 3 Feb. 1948.

[59]DO 114/103 N 2005/43, Desp. U.K. High Cmr. in Canada to DO, 25 Aug 1948.

[60]T220/93 IF 15/012, Desp. P.J. Noel-Baker to Sir G. McDonald, 2 Mar. 1948.

[61]DO 35/3456 N 2005/51, Addison to Attlee, 3 Feb. 1948.

[62]Gwyn, *Smallwood*, p. 94.

[63]CAB 129/28 CP (48) 187, Memo by P.J. Noel-Baker, 19 July 1948.

[64]Herbert, *Independent Member*, p. 272.