MEMORANDUM BY THE SECRETARY OF STATE FOR DOMINION AFFAIRS.

1. In W.P. (43) 102 of the 9th March, 1943, my predecessor gave warning that we should be faced with a difficult constitutional problem in Newfoundland as soon as the war ended. It was premature at that time to come to any conclusions, but he thought that as an interim measure it would be a wise step to send out to Newfoundland in 1943 an informal "goodwill" Mission, composed of three Members of Parliament; this he felt would serve the double purpose both of showing Newfoundlanders that we had their problems very much in mind and of enabling Parliamentary opinion here to be kept more closely informed about the Newfoundland situation against the time when decisions would have to be taken.

2. The War Cabinet approved this proposal, and an informal Parliamentary Mission composed of Mr. Ammon, Sir D. Gunston and Mr. A. P. Herbert left for Newfoundland in June, travelled all over the country, mixing with the people, studying conditions and listening to their ideas as to the future, and returned home at the end of September. From a public standpoint their tour was a very successful one, and there is no doubt that as a gesture to the people of Newfoundland, indicating the interest of Parliament in their affairs, it has been highly appreciated.

3. It was, of course, made clear throughout that the Mission, being of an informal "goodwill" character, was not intended as a Commission of Enquiry. It was thus given no set terms of reference and there was no question of it being asked to produce a report for publication. At the same time, it was indicated to the Members that the Secretary of State would naturally welcome a confidential expression of their views and suggestions on their return.

4. In the result, each of the Members has presented me with a separate report containing his impressions and recommendations. Many of these relate to the development of the country's industries and public services; on the constitutional issue the ideas they have each put forward, which have a great deal in common, are summarised in Appendix A. There has been some pressure in the House for the publication of these reports, but this would be quite inappropriate, and I have resisted it. It has been made clear, however, that the three Members will, of course, be free to express their views when Dominion affairs come up for debate, and a suitable opportunity is, I understand, likely to occur during the debate on the Address.

5. As was expected, the three Members found Newfoundland opinion on the subject of constitutional change very fluid and divided. Newfoundlanders were, however, on the whole agreed on three main points: (1) while, after nearly ten years of political disfranchisement, the country as a whole is looking forward to a change of system, no change should be made in the present form of government during the war; (2) when a change is made, it should not take the form of a return to full responsible government on the lines of that in force prior to 1934; (3) confederation with Canada is looked upon as wholly out of the question.

6. (1) is very satisfactory, since in view of Newfoundland's important rôle as a Naval and Air Base we should clearly wish to avoid any disturbance of public opinion which would distract attention from the war effort. Moreover, it would
be manifestly inappropriate that the country's future should be settled at a time
when conditions are so artificial and so many Newfoundlanders, including some
of the Island's potential leaders, are now serving overseas in various capacities.
At the back of (2) lies the Newfoundlanders' distrust of their politicians and
public figures and their lack of confidence in themselves and in the ability of the
Island to stand permanently on its own feet. They have not forgotten the lesson
they learned so painfully in the depression years of the 'thirties, and they fear
the type of man whom a general election might return to power. At the back of
(3) lies the traditional dislike of Canada. Confederation with Canada would in
many ways be the best long-term solution, and now that the Island has become of
such importance strategically to Canada, which has to reckon also with the
spreading of United States influence as a result of the establishment of United
States Bases in the Island, the Canadian Government are certainly not dis­
interested in the future of Newfoundland. This is, however, a matter in which
His Majesty's Government in the United Kingdom could not directly intervene.
Clearly, union with Canada cannot be brought about except at the publicly
expressed wish of the Newfoundlanders themselves, and it is evident that at
present only a very small minority of Newfoundlanders would be in favour of
such a solution. Fears of Canadian rates of direct taxation, the prospect that
Newfoundland's small stores and business houses would be swamped by the large
Canadian firms, and the feeling that Newfoundland's interests would be sacrificed
to those of Toronto and Montreal would alone be sufficient to ensure a heavy
popular vote against the idea, so long as there is money in the till and no pressing
necessity for so drastic a step.

7. In certain quarters in this country it has been suggested that a solution
might be found in the linking of Newfoundland not with Canada but with the
United Kingdom, on similar lines to Northern Ireland. There is, however no
demand in the Island for such a step and I am satisfied that any such solution would
be an artificial one likely to bring great difficulties in its train. The plain fact
is that Newfoundland, though intensely loyal to the mother-country and intensely
"British" in sentiment, is part of North America, with a Transatlantic outlook,
habits and ways of thought; in its everyday life it is bound at every turn by
the solid ties of common interest with the North American continent. I am sure
that notwithstanding the narrowing of the world by air communication it would
be a mistake for us to attempt to ignore geography.

8. It is clear from the reports of the Members of the Mission that what
most Newfoundlanders would like to look forward to after the war would be
some form of self-government which, while leaving the Island free to manage
its own affairs, would provide for the retention by the United Kingdom of a
general supervision over its finances and would thus enable it to turn for
assistance to the United Kingdom Exchequer in case of need. In other words,
they would like both to eat their cake and have it. Such a form of Government
would clearly be very difficult to administer, and might indeed result in a training
not in responsibility but in irresponsibility. It is difficult, however, not to
sympathise with the view that it would be altogether too much to expect the Island
with its limited resources in personnel to resume full self-government successfully
in one plunge, and if it should prove to be the general desire that progress
towards full responsible government should be by stages, we shall, I think, have
to examine carefully how best we can meet such a request.

9. Under the terms of our bargain with the Newfoundland people in 1933
we are pledged to restore self-government, if the people so request, as soon as
the Island is "self-supporting" again. Between 1933 and 1940 the Island
required considerable financial assistance from this country. But during the
last three years Newfoundland has been entirely free of grants-in-aid and has
indeed, as a result of war developments, built up a useful surplus of over
$11,000,000. Technically, therefore, the Island is at present self-supporting,
though it is a matter for argument whether it is likely to remain so in the more
normal conditions of peace.

10. Reviewing the position against this background, our policy should, I
consider, be based on the following main points:—

(a) there should be no change in the present form of Government while the
war lasts;

(b) as soon as practicable after the end of the war{(that is the war in Europe},
we must provide machinery (see the following paragraph) for enabling
the Newfoundland people to examine the situation and to express their considered views as to the form of Government they desire, having regard to the financial and economic conditions prevailing at the time;

(c) if the general wish of the people should be for a return to full responsible government, we for our part shall be very ready, if the Island is then self-supporting, to facilitate such a change;

(d) if, however, the general wish should be either for the continuance of the present form of Government or for some change of system which would fall short of full responsible government, we shall be prepared to examine such proposals sympathetically and consider within what limits the continued acceptance of responsibility by the United Kingdom could be recommended to Parliament;

(e) in the meantime, a vigorous attempt should be made to push on with the development of local Government, on which the members of the Mission have made some interesting recommendations, as well as with general reconstruction plans. Newfoundland is a country in which municipal and rural councils are virtually non-existent, and, indeed, traditionally disliked. If in the near future the people are to be called upon to govern themselves, it is important that every effort should be made to encourage the development of local Government institutions, which would afford a base for an effective central Government.

11. As regards (b) above, I feel we should leave open at the present stage the form of the machinery to be provided. One proposal for the solution of this problem which appeals to me is that made by Mr. A. P. Herbert, M.P., viz., that a national Convention should be set up after the war, composed of members representative of all classes and interests in Newfoundland, and empowered to discuss and determine amongst themselves, with the guidance of a constitutional lawyer from home, the form of government to be recommended both to the Newfoundland people and to the United Kingdom Government. I should like to consult the Governor and the Commissioners on this suggestion, which, though open to difficulties, might carry greater local appeal, and might in some ways be more effective, than the possible alternative of the appointment of a Royal Commission. Newfoundland in recent years has been subjected to a variety of enquiries, both official and unofficial, and it seems unlikely that a Royal Commission would be able to learn more of the people's views than has been acquired by the informal Mission which has just completed its duties. Besides this, the despatch of another Commission from this country might create in Newfoundland the suspicion that we were endeavouring to put off the day when the people could consider their future for themselves.

12. As regards (c) above, the contingency must not be overlooked that Newfoundland's present relative prosperity, admittedly artificial in that it arises largely from war conditions, may prove to be short-lived. Indeed, it is not at all beyond the bounds of possibility that the tapering off of construction work on defence projects, combined with a shortage of ships for carrying Newfoundland's exports, may lead to an economic relapse in Newfoundland even before the war ends. If the end of the war should find the Island unable, as in 1939, to pay her way from her current resources, this would change the whole situation.

13. As regards (d) above, what I have particularly in mind is that no form of constitution could be regarded as acceptable from the United Kingdom standpoint which gave the Newfoundland Government a free hand in spending while the United Kingdom stood behind and guaranteed their expenditure. In other words, if the United Kingdom Government is to be ultimately responsible for the Island's finances, it will be essential for it to retain some measure of control over the Island's expenditure. From this point of view the devising of a mutually acceptable half-way house is likely to present great difficulty, and it goes without saying that we, for our part, would much prefer a clear-cut solution; but if the people of Newfoundland should opt for something on these lines, as a first step towards the resumption of full self-government, it would clearly be incumbent on us to respond to their request. In that event some form of representative government, with adequate safeguards but the minimum of restrictions, would perhaps meet the case.

14. It will be seen from the Appendix that the Members of the Mission, while each envisaging the holding of a plebiscite in Newfoundland at some suitable date after the end of the war, have each recommended that as an interim
measure, and in order to make the present Commission more representative, provision should be made for the election by popular vote of the three Newfoundland Commissioners. I have carefully examined this suggestion, but feel bound to reject it. Such a change would need prior consultation with the people of Newfoundland and would cut across the proposals outlined in paragraphs 10 and 11 above. Moreover, apart from the undesirability of tinkering with the present form of government pending consideration of some major change after the war, a measure of this kind would be open to strong objections, both in theory and in practice. From the constitutional standpoint it is clear that the Governor in Commission would be placed in an anomalous position in the discharge of his responsibility to the Secretary of State for Dominion Affairs, and through him to Parliament, if three of the Commissioners owed their appointments to popular vote and were thus simultaneously responsible to the electorate; moreover, there would in practice be a great risk of the election of unsuitable men, leading in turn to disharmony in the Commission and thus possibly to the premature break-up of the whole system of Commission Government.

15. Other things being equal, there might have been much to be said for deferring any announcement of policy at this stage until the Island's post-war economic prospects were clearer and some definite trend in Newfoundland opinion could be discerned. But the visit of the Parliamentary Mission, following on the visit which my predecessor himself paid to the Island last year, has encouraged expectations of an early announcement by His Majesty's Government and has given rise to much speculation as to the plans we have in view. An early announcement on broad lines, making it clear that there will be no change during the war and that after the war it will be for the Newfoundland people themselves to choose the path they want to tread, will, I feel, have a steadying effect in the Island; and I should like, therefore, if my colleagues agree and subject to consultation with the Governor, to arrange for a declaration of policy on the lines indicated in paragraph 10 above to be made on behalf of His Majesty's Government when Dominion affairs come up for discussion in the House of Commons during the Debate on the Address.

16. In the above survey I have dealt only with the constitutional aspects of the problem. The members of the Parliamentary Mission have made many useful suggestions in their reports touching not only the development of local Government but also a number of other administrative and economic matters. I need not discuss these suggestions here, but I propose to consider them in detail, in consultation with the Newfoundland Government, in pursuance of the general policy outlined in paragraph 10 (e) above.

Dominions Office,
8th November, 1943.
## APPENDIX A.

**COMPARATIVE TABLE OF THE RECOMMENDATIONS OF THE MEMBERS OF THE PARLIAMENTARY MISSION TO NEWFOUNDLAND.**

<table>
<thead>
<tr>
<th>Mr. C. G. Ammon, M.P.</th>
<th>Sir D. Gunston, M.P.</th>
<th>Mr. A. P. Herbert, M.P.</th>
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</thead>
<tbody>
<tr>
<td>1. A plebiscite to be held two years from the date of the annulment of the Local Defence Act.</td>
<td>1. A plebiscite to be held five years after the war.</td>
<td>1. Early announcement that plebiscite will be held two years after the war, coupled with the immediate preparation of a ten year development plan and with statement that His Majesty's Government in the United Kingdom is willing to assist Newfoundland to return to responsible Government three years from the end of the war unless people decide otherwise.</td>
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<tr>
<td>2. The issue to be whether the people would accept a vigorous long term development scheme with assistance from His Majesty's Government in the United Kingdom, the plan to be carried out under a modified form of Commission Government.</td>
<td>2. The issue to be whether or not the people desire the re-introduction of responsible Government.</td>
<td>2. Plebiscite to decide form of new Government and date of change.</td>
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<tr>
<td>3. If the vote goes against the scheme, immediate restoration of self-government.</td>
<td>In the interim.</td>
<td>3. At or before end of war, appointment of Citizens' council to discuss possible forms of future constitution.</td>
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<tr>
<td>4. If scheme is accepted, the form of Government to be modified, by the election of the Newfoundland Commissioners and the appointment by the Commission, in place of the Governor, of a Chairman from amongst themselves.</td>
<td>3. The form of Commission Government to be modified by the election of the Newfoundland Commissioners, and the nomination of a Chairman of the Commission in place of the Governor.</td>
<td>4. One year from announcement at (1), election of three Newfoundland Commissioners and appointment of seventh Commissioner as Chairman.</td>
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<tr>
<td>5. A ten year plan to be drafted, the broad outlines of which should be published at the time of the plebiscite referred to at (1).</td>
<td>4. A further election of Newfoundland Commissioners to take place after an initial period of three years.</td>
<td>5. In interim period prior to plebiscite active campaign of political education to be conducted by Government and/or Council of Citizens.</td>
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<tr>
<td>6. A further plebiscite to be held at the end of the ten year period.</td>
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