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# Maritime Union - We Rise Again

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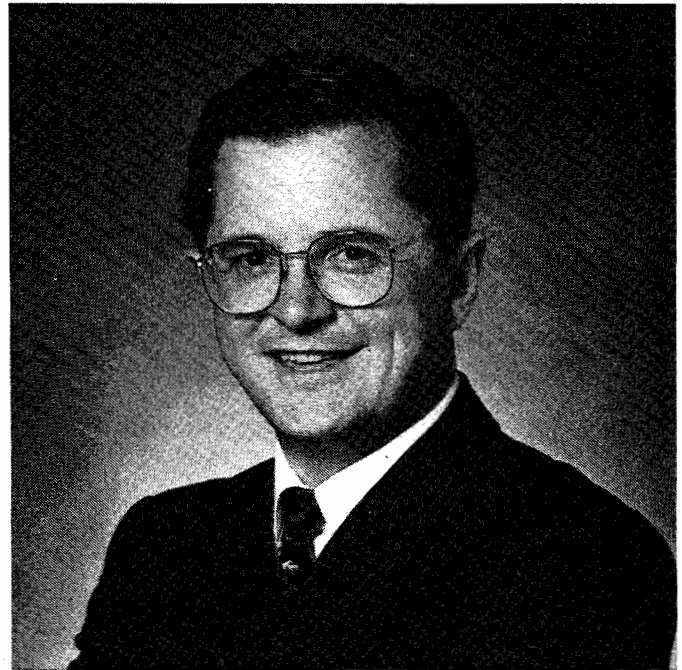
by Ron MacDonald, MP

*The idea of a union of the Maritime provinces is older than Canada itself. For generations business, academic and political leaders in New Brunswick, Prince Edward Island and Nova Scotia have debated the relative merits of some sort of economic or political union. Various factors throughout the region's history have prevented a union. This article looks at a broadly based new movement to bring the provinces together in an economic and, potentially, political union.*

Changing global trading patterns and the evolving nature of Canadian federalism are a clear impetus towards greater provincial co-operation. The outcome of the Quebec referendum has put this country on a path for change. Maritimers must not stand idly by while decisions are made for them. We must work together to ensure our rightful place in a strong and united Canada. A brief look at the history of the region provides a proper context for the current Maritime union debate.

The Treaty of Utrecht of 1713 decreed that the Maritime provinces, then a single territory known as Acadia, was to be British. However, this hegemony was not to last. In 1763, Cape Breton became a separate province with Prince Edward Island following in 1789. New Brunswick was established in 1784 and with the re-annexation of Cape Breton to Nova Scotia in 1820, the present-day provincial borders were created.

Prior to Confederation and especially in the mid-1800s, the Maritime provinces prospered on an economy based on staple resources such as timber and the fisheries as well as shipbuilding and coal production aided greatly in later years by the Reciprocity Treaty with the United States. Unfortunately, the economic strength of the region would soon be eclipsed by technological changes. An economy based on coal and timber was doomed to failure as steam engine trains and steel ships became the standard of the day for transportation. This economic



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situation was further complicated by the realization that the vitally important Reciprocity Treaty would not be renewed in 1866 as well as the fact that there was little hope for renewal of the British Imperial Preference treaty. The region faced an uncertain economic future.

Throughout this period, assorted efforts were made to unite the three provinces into a single political entity. Indeed, in the 1850s, the respective governors of the provinces proposed a union but found little support

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among citizens of the region or the ruling class of the mother country. A decade later, the controversy surrounding the creation of the Intercolonial Railway, in which the Maritime provinces believed they were ill-treated by the Canadians, fostered a new set of discussions on Maritime Union. A conference was scheduled for Charlottetown in 1864.

The Canadian government requested an opportunity to send delegates to this meeting to discuss a larger union. It was at this conference that the nation we know today as Canada was born. As Maritime historian J. Murray Beck noted in *The History of Maritime Union: A Study in Frustration*, it was "the blandishments or the logic of the Canadians that prevailed at Charlottetown". The delegates made the fateful decision to defer the question of Maritime Union and, after several days of presentations by the Canadians supporting a larger union, in the end unanimously affirmed their desire for a larger union. Many believed that a "strong central government seemed a necessary buttress against the truculence below the border".

In 1867 Confederation began with the provinces of Ontario, Quebec, New Brunswick and Nova Scotia. The new federal government was intent on opening the western territory and creating a national economy, complete with a national railway system, from sea to sea. It was thought that the Maritimes resource industries and manufacturing sector would profit from this new central Canadian market. Initially, this seemed to be the case and the Maritime economy prospered after Confederation. The Intercolonial Railway opened up new opportunities for the region and the Maritimes achieved their highest level of economic activity in the early 1870s. Still, the changing nature of the world economy soon took the wind out of the sails of the Maritime development and from the mid-1870s until close to the turn of the century, the region endured a period of poor economic growth. It also marked, for the first time, the large-scale out-migration of skilled workers to stronger job markets in central Canada and New England.

The introduction of the so-called "National Policy" in 1887 did little to improve the relative economic position of the Maritime provinces. Indeed, as the 1970 Maritime Union Study noted; "in many respects...the economy of the Maritime provinces tended to be competitive with, rather than complementary to, that of central Canada." The high tariffs inherent within the National Policy also badly damaged the regions main exports such as shipbuilding at a time when they were struggling to adapt to new technologies.

From 1896 until the first World War, Canada experienced unprecedented economic and population growth, growth which unfortunately largely passed the

Maritime provinces by. This time period also began a trend which has essentially continued to this day, specifically a concentration of large scale manufacturing in central Canadian urban communities. At a time when thousands of immigrants settled in the Prairies the Maritime provinces saw only limited population growth and a continued out-migration of skilled workers. The present day economic integration of the country was largely completed by this time but, as the 1970 Maritime Union Study concluded, "the integration had come only to operate from the St. Lawrence Valley to the Pacific Coast. The Maritimes had not built up any substantial trade with the rest of the country". The few bright lights being the Nova Scotia iron, steel and coal industries.

This lacklustre economic performance sparked renewed interest in Maritime Union but the outbreak of World War I quickly focused the region's attention on more pressing matters. After the War, development in central and western Canada resumed its frantic pace while the Maritime manufacturing base, much of which had been converted to military production, faced a difficult adjustment process in a largely stagnate economy. This growing economic disparity once again led to complaints from the region that it was not benefiting from Confederation. The federal government responded to this so-called "Maritime Rights" movement, as federal government's often do, by creating a Royal Commission to investigate the matter.

In 1926 the Royal Commission on Maritime Claims, commonly known as the Duncan Commission, was created by Mackenzie King who, in his letter to the Commission's members, suggested that "the question [of Maritime claims] is not a new one". The Commission's report acknowledged the glaring economic disparities between the Maritimes and the rest of Canada and made several recommendations as how best to address the situation. These included an increase in federal subsidies to the region, a reorganization of the ports of Halifax and Saint John, a decrease in freight rates on western movements, and subsidies to Nova Scotia coal intended to make it more competitive in central Canadian markets. So began close to 70 years of regional economic development policy which has yet to show much real success.

Not surprisingly, the Great Depression of the 1930s had an extremely negative impact on the region's economy. While the wartime economy essentially eliminated unemployment and utilized most of the region's industrial capacity, it did not result in increased sustained industrialization in the post-war economy. Indeed, the dynamic growth throughout Canada which once more took place following the war offered little benefit to the Maritimes. The population of the region

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grew at a fraction of the national average and personal per capita income increased largely as a result of increased federal social spending.

In 1964, New Brunswick Premier Louis J. Robichaud, now a Liberal Senator broached the subject of Maritime Union at a First Minister's Conference at the Confederation Centre in Charlottetown. While not proposing Maritime Union outright, Robichaud suggested, on the centennial of the Charlottetown meeting which forged Confederation, that the idea deserved another look. Robichaud took considerable political risk by proposing a second look at the issue. New Brunswick Acadians have traditionally been leery of Maritime Union as they believed their culture would be better served in a province where they made up a substantial portion of the population. Premier Robert Stanfield of Nova Scotia and Premier Alex Campbell of Prince Edward Island agreed with Robichaud's proposal and the three provinces commissioned the Maritime Union Study. The resulting detailed study proposed political union yet despite initial optimism the idea faded once again from public and political consciousness.

***The rationales supporting Maritime Union have never disappeared. Indeed, some have argued that Maritime Union makes more sense now than it ever has.***

It is clear to most, if not all, political observers that for generations the legitimate and common concerns of Maritimers have been diluted on the national stage by parochialism and political infighting. The result has been successive band-aid solutions offered by the federal government to systemic problems in the region's economy. A litany of successive acronyms from DREE to ACOA have been presented by the federal government to act as a catalyst for sustainable economic development. Although the ACOA philosophy of targeting small to medium-sized businesses is an overdue step in the right direction, little true growth has been achieved and some have argued that these regional agencies have in fact inhibited private sector growth.

In a similar vein, federal social programs have allowed the region to maintain an over-reliance on seasonal, resource-based jobs. The ongoing cutbacks to federal expenditures which most people, regardless of their political affiliation, agree are necessary to put our financial house in order, could have a very real impact on the sustainability of our economy. The new Canada Health and Social Transfer system, announced in the

February 1995 federal budget, will provide block funding to the provinces for a range of programs where the federal government once used matching dollars to establish programs with national standards. While there are still mechanisms in place to provide for national standards, the financial realities in the provinces, especially the Maritime provinces, could very well see the development of a patchwork of social programs throughout the country. It is quite clear that a unified Maritimes would spend less on administration in areas like health and education and be able to direct more resources to actual programs. There is little reason to maintain three separate regimes for areas such as motor vehicle registration or health-care administration or, for that matter, more than 140 provincial politicians in an area with a population less than that of Metropolitan Toronto.

The provinces are becoming increasingly powerful as the federal government decentralizes control in a number of fields, mostly as a result of a financial crunch rather than any ideological dogma. Premier Frank McKenna of New Brunswick quickly recognized that regional development cannot be left primarily to the federal government and during his mandate has taken aggressive steps to attract new business to the province. As a result, New Brunswick has become a world leader in telecommunications and thousands of new, direct jobs have been created. It is this kind of initiative that the Maritimes must show to develop a place in the post-industrial economy.

Another factor which supports the union of the Maritime provinces is the multinational trading blocks which are expanding throughout the world. The North American Free Trade Agreement (NAFTA) will soon expand to include Chile, with the door open to other Central and South American nations. The European Union continues to move toward greater integration including a single unit of currency. The possibility of some sort of NAFTA-EU merger has also been bantered about. These trading blocks are changing decades old trading patterns. For Maritimers, this has meant and will continue to mean a return to the old north-south trade with the United States and New England in particular as well as opening up new markets in central and south America. Unified economic development policies and a lower cost of government and, therefore, lower tax burden for business, can only serve to make our economy more competitive in these markets.

Perhaps the most pressing issue facing the region and the country as a whole remains the Quebec question. The narrow federalist victory in the October referendum makes it obvious that this question is far from resolved. While few would look forward to either another

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referendum or an attempt at constitutional agreement, it seems sadly clear that either or both may be unavoidable. Since the *Constitution Act* of 1982, a great deal of national energy has been expended in addressing the idea of bringing Quebec back into the constitutional fold. While few doubt that Quebec has legitimate concerns as it attempts to protect its unique culture, the historical record clearly indicates that it is the Maritimes which has economically benefited least from the Canadian confederation, not the province of Quebec. Indeed, the less charitable would argue that Canada has been consumed by attempting to keep Quebec content in the federal structure for decades, occasionally to the detriment of the rest of the federation.

***If or when the constitutional debate begins anew, it will be vital that the Maritime provinces speak as one. Our interests are similar, if not identical, yet are seldom presented as such.***

As three separate entities each with a fraction of the population of most other provinces, it is argued by some that individually the Maritime provinces lack the moral authority to scuttle any constitutional agreement, regardless of its impact. As a united area with close to

2-million people, we will have a stronger voice and be able to better represent our interests in any negotiations leading to a renewed confederation. The counter argument is, of course, that three provinces carry more weight than one. But federal governments of the day are often skilled in the game of divide and conquer and the Maritime provinces have seldom stuck together during federal-provincial negotiations on any number of matters.

The Maritime provinces are poised for an economic renaissance in the post-industrial, knowledge-based economy. Our location is no longer a hindrance but is instead an asset as a virtual land-bridge between NAFTA and the EU. We have a strong technological base thanks to the region's numerous universities, an educated and motivated workforce, and a quality of life second to none. But to achieve our economic and social potential and protect our quality of life will require vastly increased co-operation, lean administration, and a focus on economic development. As Maritimers we have much more which unites us than separates us. The beauty and resources of the region can be shared by us all, from the splendour of the Miramichi River in New Brunswick to the beaches of Prince Edward Island to the Cape Breton Highlands in Nova Scotia. A great many challenges face the region but Maritimers must not fear the future but rather work together to ensure our rightful place in it.