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CONFIDENTIAL MEMORANDUM

UPON

THE SUBJECT OF THE ANNEXATION
OF THE WEST INDIA ISLANDS

TO THE

DOMINION OF CANADA.

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CONFIDENTIAL MEMORANDUM UPON THE SUBJECT OF THE ANNEXATION OF THE WEST INDIA ISLANDS TO THE DOMINION OF CANADA.

This question was first mooted about 30 years ago, and had its origin in the Island of Jamaica. In 1855 the Legislative Council of that colony, being moved thereto by the depressed condition of the sugar industry, requested permission to send a delegation to Canada to ascertain what arrangements could be made with the Dominion Government "on the basis of either confederation or reciprocity." The Canadian Government agreed to receive the delegation on the understanding that "no opinion is expressed as to the desirability of political confederation." The Imperial Government having also declined to sanction any inquiry into confederation, the scope of the Commission was limited to the discussion of reciprocity, and nothing more was heard at the time on the subject of political union.

Much has happened since then. In the interval the Dominion has very greatly developed and consolidated its resources, and is thus in a position to assume responsibilities which 30 years ago it might have felt belonged to the future. Moreover, the reorganization and readjustment of Imperial relationships will in all probability follow the European war. Questions relating to these changes are of deepest moment to Canada, and call for most careful consideration, for much discussion and interchange of ideas and views between the Home Government and the various overseas dominions. One of these questions will doubtless be territorial concessions consequent upon the war. Canada has gone into this contest to the extreme limit of her resources, both in men and money. She did so readily, willingly, gladly, in response to dictates of loyalty and affection for our Sovereign and to British institutions, then in grave jeopardy. We did not stipulate for conditions. Our beloved mother country needed our help—her very existence was imperilled, and that sufficed us. Canada has done her duty. She has given in unstinted measure of her best, and we are proud to believe that her co-operation has been of material assistance in the gigantic struggle in which Great Britain finds herself engaged.

We are prepared to continue that support to the extreme limit of our resources, until the enemy is finally overthrown. To this end we confidently look forward, and as a result of that confidence we naturally consider that Canada which has shared in the sacrifice and sufferings, losses and afflictions of this terrible war, should participate in the advantages which will flow from the triumph of our arms.

It is probable that the bases of peace are even now being arranged among the allied powers in a series of conferences in which this Dominion has no voice. We may reasonably expect that the other Dominions will receive accessions of territory as a result of the war. In all probability the German islands in the Southern Seas will fall to Australia and New Zealand. With equal likelihood vast areas of territory will be incorporated in the Union of South Africa. It is fitting that this should be so, but those charged with upholding the interests of Canada cannot avoid the reflection that no such fruits of conquest can accrue to the advantage of our Dominion, by reason of the fact that there are no German possessions on this continent for Canada to conquer. By what means then is Canada to be territorially recompensed in the day of triumph for the blood and treasure she has poured out to preserve and augment the integrity and greatness of the British Empire? The inclusion of the British West India Islands within the Dominion would seem to supply the answer.

It is such considerations which go far to justify the raising of this subject at the present time. Under ordinary circumstances there would be much reason in the view that a domestic question of this character might well be postponed to a more propitious occasion. But the circumstances of the time are not ordinary. On the contrary, they are in the highest degree abnormal. The whole world is, as it were, in the melting

lot. Vast and far-reaching changes are in process of evolution, and in the general readjustment which the near future has in store it behooves Canada to consider in what measure she can best secure an equivalent to those territorial advantages which she will be glad to see her sister Dominions acquire.

One of the few disadvantages under which this Dominion labours is to be found in the fact that all its provinces are situated roughly on the same parallel and possess similar climatic conditions—their products are nearly identical—whence it follows that our interprovincial trade can never be very large. Commerce in its widest developments follows lines of longitude rather than of latitude. The fact that the United States possesses so great diversity of soil and climate, has been a most potent factor in the development of that great country. Were the West India Islands part of this Dominion, the disparity at present existing between us and the United States in this regard would largely disappear, for in the West Indies we should find ready market for our flour, fish and lumber, and at the same time receive their tropical products which we cannot raise and will always require. Our manufacturers would not only find new and certain markets for their present products, but also inducements to develop branches of industry at present but little advanced. The mulberry tree has been grown successfully in Trinidad and the experiment is encouraging for the rearing of silk worms—work eminently suited to the nature and habits of the negro peasantry. With Canadian capital and energy to start this trade, the negroes would grow the silk and the people of Canada would manufacture it.

Tea, of excellent flavour, has been successfully grown on one plantation in Jamaica, and this industry is said to be capable of indefinite development along the highlands of that island. The same may be said of the manufacture of many fibrous tropical products now almost unused, such as the stems of the banana from which the finest and strongest paper is said to have been made, varieties of marsh and jungle plants, equalling the jute which has enriched Great Britain and India by many millions sterling, and other plants suitable for matting, and cordages, and indigo, which can be largely and profitably cultivated. Our ships and railways would carry these articles to our manufacturers who, in their turn, would convert the raw material into manufactured goods. At present Canada's entire importation of bananas from the West Indies comes to us through the United States by reason of superior facilities for transportation offered by that country. With improved steamship facilities, a large direct trade in tropical fruits would immediately result.

Confederation would enuse numerous canning factories to spring into existence, and the fruit trade with Europe and North America would thus be indefinitely increased. Every man engaged in these industries would be a supporter of Confederation, and the federal bond would thus acquire a strength that no racial or political intrigue or party could sever.

The inclusion of the British West Indies would tend to facilitate the trade of Newfoundland with Canada. For in the event of that inclusion the fish and other products of that island which now find so large a market in the West Indies, would be subject to import duties from which Quebec and the Maritime Provinces would be exempt, thus handicapping the trade of Newfoundland to a very serious extent, and demonstrating in practical fashion to its people the advantages of casting in their lot with Canada. At the present time the people of Newfoundland pay \$200,000 in duty upon the two articles of molasses and sugar imported from the West Indies. A subsidized line of steamers running up the St. Lawrence such as would undoubtedly follow the incorporation of the West India Islands, would enable the people of Newfoundland to receive these articles free of duty and at a low rate of transportation. Tropical fruits, now absolutely beyond the reach of the fishermen, could then be brought to them at a minimum cost.

The advantages of the union of these islands with Canada may thus be briefly summarized:—

1. It would give to Canada an increase of territory amounting to 113,000 square miles, and of population 2,300,000,* thus adding considerably to the importance and influence of the Dominion.

2. The tropical products available in the new territory would make the Dominion more self-contained and would give us practically all the advantages of a diversity of climate and products which are afforded to that great Republic by the southern portion of the United States.

3. The importance of sea power would become so obvious under new conditions as to leave little room for argument to the contrary.

4. Confederation would afford a broader market to our manufacturers and producers which must result in a very large development of trade, as we produce precisely what they require, and *vice versa*.

5. It would balance the accessions which will accrue to the other self-governing dominions at the termination of the war in the only way in which it is possible for Canada to obtain an equivalent, and thus to some extent compensate the Dominion for the sacrifices she has made in the defence of the Empire.

Let us now briefly consider some objections to the scheme:—

1. First and foremost is the negro question.

"I suppose there is no island or place in the world," said Chief Justice Cockburn in his celebrated charge to the Grand Jury at the Central Criminal Court in 1867, "in which there has been so much insurrection and disorder as the island of Jamaica. There is no place in which the curse which attaches to slavery, both as regards the master and the slave, has been more strikingly illustrated."

The population of Jamaica according to the latest available figures is in the neighbourhood of 550,000. Of these only about two per cent are white.

With this vast preponderance, it is not unlikely that under confederation the negroes would clamour for larger political privileges than they at present possess under the direct control of Great Britain. To admit them forthwith to the full measure of self-government enjoyed by our provinces would be out of the question. What then would be their status in the Dominion? The problem presents grave, though not necessarily insoluble, difficulties.

Possibly some such system as obtained in early days in the Northwest Territories, or at a later date in the Yukon district, might be devised. Those distant regions were presided over by a Lieutenant-Governor (or in the case of the Yukon by an officer styled The Commissioner) appointed by the Governor General. This Lieutenant-Governor, or Commissioner, was assisted by a Council, all the members of which, in the first instance, were likewise appointed by the Governor General. As time went on a modification of this system took place under which a certain number of the Councilors were chosen by the people—the Council thus becoming partly nominative and partly elective. Still later the nominated element disappeared and the Council became wholly elective, subsequently developing, in the case of the Northwest Territories, into a Legislative Assembly with limited powers, and ultimately attaining the full measure of responsible government enjoyed by our provinces to-day.

This development was a gradual and slow process, regulated by the growth of the Territories and the proved fitness of the people for self-government. Some such system might be tried in the West Indies. The question of the franchise would have to be very carefully considered when the time came to make the experiment. There should be a property qualification, such as for example the restriction of the franchise to freeholders, to begin with, and an educational standing as well, high enough, at the outset, to exclude a very considerable proportion of the black population.

2. Distance is also a factor to be taken into account. These islands all lie a long way from Canada, and some of them are widely separated from one another. Many leagues of ocean intervene between them and the seat of government. On the other hand the inventions and developments of modern life tend year by year to lessen the disadvantages arising on this score. A swift line of steamers would bring Jamaica nearer to Halifax in point of time than is Winnipeg today, with much cheaper freight rates. At present it costs less to ship from Montreal or Toronto to Trinidad, than to points west of Winnipeg. Moreover, all the British West India Islands are nearer to Saskatchewan, Alberta and Manitoba than they are to the United Kingdom, or to any country of continental Europe.

3. Finance. There is no doubt that a loss of revenue would immediately result to Canada from the free admission into the Dominion of sugar, molasses, cocoan and other products of the West Indies upon which is now paid an amount not far short of a million and a half dollars per annum, but this diminution would eventually be more than made up by the great development of trade which would follow from the union.

4. Defence. The acquisition of these islands might excite the jealousy of other powers—might multiply sources of friction between our Government and those of other nations. Their isolated and exposed position would render the Dominion more vulnerable to attack, and would thus necessitate a permanent expenditure for both naval and military defence on a considerably larger scale than hitherto contemplated by this country.

It is, I think, a legitimate inference from this brief presentation of the question that the advantages of union of the British West Indies to Canada outweigh the disadvantages indicated above, none of which, with the possible exception of the negro problem, apparently presents insurmountable difficulties.

The word "Confederation" used in this memorandum, and which is commonly employed in the discussion of this subject, is not apt. There can be no confederation of the British West Indies with Canada at the start in the sense in which that word was used in the case of Nova Scotia and New Brunswick half a century ago. There can be no equality of status at the outset. That would be impossible, and from what I can learn not expected or desired by the West Indians themselves. "Annexation" or "incorporation" would more closely describe the initial process of admission into the union, under which they would become, as it were, "territories" of the Dominion.

Appended are certain statements (prepared by Mr. Watson Griffin of the Department of Trade and Commerce) showing:—

1. (a) The trade (imports and exports) of the British West Indies for 1914 (the last year of normal conditions) by separate colonies, and also (b) the percentages of the imports from and exports to the United Kingdom, Canada, the United States and the other British West India Islands.

2. (a) Imports of merchandise for 1911 into the British West Indies from the United Kingdom, the United States and Canada respectively. (b) Exports of merchandise from the British West Indies to the United Kingdom, the United States and Canada respectively.

3. Statement (by Mr. John McDougall, C.M.G.) showing the amount of duty collected annually on merchandise entered for consumption in Canada from the British West Indies during the fiscal year ended 31st March, 1908 to 1916, inclusively.

JOSEPH POPE.

January 31, 1917.

MEMORANDUM

On the trade of the British West India Islands by Mr. Watson Griffin, of the Department of Trade and Commerce, in the form of two letters addressed to Sir Joseph Pope.

In preparing the statement asked for I have assumed that you want only the percentage of British West Indian trade with the United Kingdom, the United States and Canada, respectively. I have included in the British West Indian colonies British Guiana, Trinidad and Tobago, Barbados, Grenada, St. Lucia, St. Vincent, the Leeward Islands and the Bahamas. All of these, except the last two colonies, are included in the Preferential Agreement with Canada. I have not included Bermuda as it is not regarded as one of the British West Indian colonies, and is not in the Tropics. I have not included British Honduras in Central America as it is seldom regarded as belonging to the British West Indies. I can furnish the figures for British Honduras and Bermuda if desired.

The following is a statement of the British West Indian trade:—

TRADE OF BRITISH WEST INDIES.

Imports of Merchandise, 1914.	
British Guiana	\$ 7,322,330
Trinidad and Tobago	811,720 Transit trade.
Barbados	12,181,104
Grenada	5,349,572 Transit trade.
St. Lucia	6,322,646
St. Vincent	1,210,481
Leeward Islands	1,466,219
Jamaica	267,688 (year 1913).
Bahamas	2,662,207
	12,428,249
	1,786,617
	<hr/> \$52,572,221 <hr/>

Exports of Merchandise, 1914.	
British Guiana	\$10,485,540
Trinidad and Tobago	811,720 Transit trade.
Barbados	14,622,345
Grenada	3,349,572 Transit trade.
St. Lucia	4,426,753
St. Vincent	1,422,429
Leeward Islands	522,382
Jamaica	629,013
Bahamas	530,715
	2,937,798
	12,775,881
	1,687,826
	<hr/> \$56,192,879 <hr/>

I have chosen the year 1914 because the year 1913 was considerably affected by the war and the year 1914 only slightly affected by it, and moreover all the statistics for the year 1915 were not available. In the year 1913 the Preferential Agreement was only in force for part of the year, so that it was not a representative year. In the case of St. Vincent I found it impossible to get the figures for the year 1914, and was obliged to use the year 1913.

You will note that under British Guiana there is an amount of \$811,720 for transit trade in both the columns for imports and exports. In Trinidad and Tobago the transit trade both for exports and imports is \$5,349,572. This transit trade is not included in the ordinary imports and exports in making calculations of percentages, because the transit trade does not represent actual consumption of goods in British Guiana and Trinidad, but merely the handling of goods for other countries. For instance, Trinidad being very close to Venezuela, is a most favourable point for transshipment. Great quantities of goods intended for Venezuela are transhipped at Port of Spain, Trinidad, and sent up the rivers of Venezuela in small boats. In the same way considerable quantities of Venezuelan products are brought to Trinidad for shipment abroad. British Guiana's transit trade consists chiefly of goods transhipped to small boats running up the rivers of French Guiana and Dutch Guiana. Large boats take the cargoes to Georgetown, British Guiana, and there tranship to small steamers which run up the rivers of the neighbouring French and Dutch colonies.

You will note that in addition to the ordinary exports of St. Lucia, bunker coal to the value of \$626,043 was exported. The bunker coal is included with the ordinary imports as the countries from which it comes are not known, but the exports of bunker coal are not included in the ordinary exports for the reason that the coal is chiefly consumed by ships on their voyages and cannot be said to be exported to any country. If the imports of St. Lucia would seem to be very much greater than the exports. In taking the percentages I have not included the bunker coal in the exports. St. Lucia is the greatest coaling station in the British West Indies. Nearly all the coal used for this purpose is purchased in the United States, although small quantities are brought from the United Kingdom. There seems to be no reason why Canada should not supply a share of this bunker coal. There is first-class bunker coal produced in Cape Breton, and as a matter of fact a great number of ships bunker at Cape Breton ports. The same kind of coal could be sent to St. Lucia for bunkering purposes.

The following are the percentages of the exports and imports of merchandise for the United Kingdom, the United States, Canada and the British West Indies. The percentage marked British West Indies indicates the trade of each colony with the other British West Indian colonies. I may say with reference to these percentages of trade between the different British West Indian colonies, that they are not absolutely accurate as in some cases coin and bullion are included, but it was impossible, without an immense amount of work, to eliminate the coin and bullion in every case, and as the amount of coin and bullion passing between these colonies is not large, the percentage is approximately correct. In the trade with other countries coin and bullion are excluded, so that the figures represent actual trade in merchandise.

British Guiana, 1914.

Imports.		Exports.	
United Kingdom	52.1	United Kingdom	57.6
Canada	12.7	Canada	39.6
United States	21.5	United States	2.6
British West Indies	1.3	British West Indies	7.7

Trinidad and Tobago, 1914.

Imports.		Exports.	
United Kingdom	57.6	United Kingdom	18.5
United States	28.8	United States	37.9
Canada	12.0	Canada	13.1
British West Indies	8.0	British West Indies	5.3

Barbados, 1914.

Imports.		Exports.	
United Kingdom	35.0	United Kingdom	5.1
United States	26.6	United States	8.7
Canada	13.4	Canada	51.3
British West Indies	4.8	British West Indies	19.0

Grenada, 1914.

Imports.		Exports.	
United Kingdom	40.4	United Kingdom	67.0
United States	30.2	United States	25.5
Canada	8.7	Canada	0.6
British West Indies	11.0	British West Indies	1.1

St. Vincent, 1913.

Imports.		Exports.	
United Kingdom	40.4	United Kingdom	76.9
Canada	17.7	Canada	1.0
United States	18.0	United States	1.9
British West Indies	9.1	British West Indies	2.2

St. Lucia, 1914.

Imports.		Exports.	
United Kingdom	31.3	United Kingdom	67.2
United States	52.5	United States	3.5
Canada	5.8	Canada	8.1
British West Indies	2.0	British West Indies	3.3

Leeward Islands, 1914.

Imports.		Exports.	
United Kingdom	58.4	United Kingdom	40.4
United States	29.4	United States	20.8
Canada	18.3	Canada	30.8
British West Indies	0.1	British West Indies	2.0

Jamaica, 1914.

Imports.		Exports.	
United Kingdom.....	38.1	United Kingdom.....	18.6
United States.....	47.8	United States.....	60.5
Canada.....	8.1	Canada.....	3.1
British West Indies.....	1.2	British West Indies.....	1.3

Bahamas, 1914.

Imports.		Exports.	
United Kingdom.....	20.9	United Kingdom.....	16.0
United States.....	72.6	United States.....	40.7
Canada.....	1.5	Canada.....	0.7
British West Indies.....	2.0	British West Indies.....	0.1

In my letter of December 7, I gave you particulars regarding the trade of each British West Indian colony. I shall now give you some particulars regarding the trade of the British West Indies as a whole with the United Kingdom, the United States and Canada.

Following are tables which I have compiled of imports and exports of merchandise for these colonies during the year 1914:—

IMPORTS of merchandise into the British West Indies from the United Kingdom, the United States and Canada, respectively.

—	From United Kingdom.	From United States.	From Canada.	Total.
British Guiana.....	3,848,923	1,811,878	947,050	7,397,369
Trinidad.....	4,646,655	3,785,482	1,583,487	13,181,108
Barbados.....	2,468,222	1,684,766	850,620	6,323,046
Grenada.....	350,130	396,388	114,784	1,310,484
St. Lucia.....	466,637	782,656	87,063	1,489,919
St. Vincent (1913).....	211,066	111,462	103,893	507,948
Leeward Islands.....	1,112,231	850,464	531,965	2,902,597
Jamaica.....	4,742,616	5,394,718	1,016,560	12,425,249
Bahamas.....	375,381	1,291,220	28,431	1,788,617
	18,421,033	16,678,625	5,295,898	47,412,635

EXPORTS of merchandise from the British West Indies to the United Kingdom, the United States and Canada, respectively.

—	To United Kingdom.	To United States.	To Canada.	Total.
British Guiana.....	6,046,564	286,681	3,269,713	10,485,540
Trinidad.....	2,747,841	5,328,067	1,686,280	14,022,842
Barbados.....	226,799	387,396	2,272,937	4,426,753
Grenada.....	1,687,476	414,475	8,367	1,622,420
St. Lucia.....	351,373	18,572	42,447	622,332
St. Vincent (1913).....	408,550	10,604	5,463	630,715
Leeward Islands.....	1,188,547	611,188	965,570	2,937,798
Jamaica.....	2,575,945	8,344,688	1,015,833	13,775,961
Bahamas.....	174,333	510,894	8,283	1,097,656
	14,807,428	15,941,765	9,154,553	49,411,540

These figures do not include the trans-shipment trade of Trinidad and British Guiana, nor do they include the bunker coal exports of St. Lucia.

PERCENTAGE OF TRADE.

The percentage of trade enjoyed by the United Kingdom, the United States and Canada, respectively, is shown in the following table:—

	Imports.	Exports.
United Kingdom.....	38.8	29.9
United States.....	35.1	33.2
Canada.....	11.1	19.5

It should be noted that Trinidad and the Leeward Islands make no distinction between Canada and Newfoundland including both under British North America. The head of the Customs system of Trinidad told me that the trade with Newfoundland was so small that British North America practically meant Canada in the tables

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DEPARTMENT OF CUSTOMS,
OTTAWA, October 19, 1916.