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A place apart

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Heard the one about the rich Newfoundlander?**Time to swap migrants for tourists**

WRAPPED in Atlantic mists and storms three hours' flying time east of Ottawa, it was only in 1948 that Newfoundland and Labrador voted by a slim margin to relinquish its status as a British colony to become the tenth province in Canada. To judge from the number of pre-confederation flags in the capital, St John's, many still wonder if they made the right choice. The green, white and pink standard, resembling a washed-out Irish tricolour, is flown from rooftops, draped in shop windows, stencilled on T-shirts and even iced on cookies sold to tourists. "It represents a time when we had more pride," says Mark Dobbin, the boss of a helicopter service company. "We're not that long in Canada and we haven't been treated very well," he adds.

Newfoundlanders, it is true, are the butt of many a Canadian joke in which they are cast as village idiots. Adding injury to insult, they feel that a miscellany of outsiders has long reaped the lion's share of their immense natural wealth. The villains range from English fish merchants, who tried to prevent settlement in the 1600s for fear of competition, to Quebec's provincial government, which secured an unbreakable, 65-year contract in the 1960s for embarrassingly cheap hydroelectric power from Churchill Falls. Canada's federal government is blamed for mismanaging the cod fishery, causing it and the economy to collapse in 1992.

Newfoundland's premier, Danny Williams, has tapped this sense of aggrieved nationalism, positioning himself as the defender of the province's resources and the leader who will insist that there are no more "giveaways". Since he was first elected in 2003, he has feuded with Canada's prime ministers about fiscal transfers, fought the big oil companies for a greater share of the revenues from offshore fields, and debated with Sir Paul McCartney and the former Beatle's now-estranged wife on television over the right of sealers to work. His pledge to make the 500,000 Newfoundlanders "masters in our own house" helped him to a landslide victory in

a provincial election on October 9th. "We're finally going to get what we deserve," he told cheering supporters.

Having won a second term, however, Mr Williams now faces an unusual problem. With three offshore oilfields and a fourth on the way, the perennial poor man of Canada is getting rich quick. By 2009 Newfoundland is likely to join Ontario, Alberta and British Columbia as the only provinces whose tax base is strong enough not to qualify for a federal top-up under a scheme to equalise provincial finances, says Wade Locke, an economist at Memorial University in St John's. The psychological impact is difficult to predict. Will Newfoundlanders manage to put behind them their sense of grievance and loss—and the nationalism that goes with it?

They are not there yet. The budget is in surplus and economic growth of 2.8% in 2006 surpassed that of all but three other provinces. In St John's, the centre of the oil industry, there are help-wanted signs in many shop windows. But in small fishing towns around the coast, unemployment runs at over 20%. Many of the fishermen left stranded when the cod disappeared have switched to shrimp and snow crab, says Earle McCurdy, president of the fisheries union. But employment at fish-processing plants has fallen by more than half, to 13,000. Were it not for government subsidies, many more would have closed.

Away from the capital, hopes are pinned on mining and tourism. A big nickel mine began production in 2005 at Voisey's Bay in Labrador. Mining companies are investing a record C\$160m (\$160m) in exploration this year. "I've been in the business for 40 years and I've never ever seen a boom like this," says Gerry O'Connell, who heads the provincial mining chamber.

Picturesque fishing villages with multicoloured clapboard houses could draw tourists. But the industry is underdeveloped. The government has only recently started to take it seriously, says Mike Clewer, who runs Humber Valley Resort on the west coast. Its super-sized holiday homes in the woods near a lake and golf course have been overlooked by Canadians but snapped up by Europeans and Americans. "You've got something the world wants: a place that hasn't been ruined yet," says Mr Clewer.

Even so, some 15,000 people, most of them young adults, leave the province each year to find work, many in Alberta. There are tales, perhaps apocryphal, of villages where all the men of working age have left. The population has been shrinking for years. Deaths outnumbered births in 2006, one reason for Mr Williams's campaign promise of a baby bonus. "We can't be a dying race," he said.

The province is trying to lure its wandering sons back home to work on job-creating infrastructure projects. These include a second refinery at Come By Chance (a misnomer, it is to be hoped) and the building of a vast production platform for the new offshore field. Scott Lynch, a migration specialist at Memorial University, says that there will be labour shortages unless the outflow of people is reversed.

Achieving that won't be easy. Still, unless the price of oil plummets, Newfoundland is heading for unaccustomed prosperity. Will this finally reconcile Newfoundlanders to the Canadian confederation? "If things improve and out-migration stops, a lot of bad feeling will disappear," predicts John Crosbie, who has been both a federal and provincial cabinet minister. He calls talk of Newfoundland going it alone, even before Quebec does, "romantic nonsense".

Mr Dobbin, the businessman, agrees—up to a point. For he adds that he can imagine circumstances in which the province and its feisty premier get into a disagreement with Ottawa about resource development and that this spirals out of control. "We're not rational when it comes to fights and arguments," he says.

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