

Economic Crisis and the End of Democracy:

Politics in Newfoundland During the Great Depression

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Introduction

IN 1934 THE DOMINION of Newfoundland gave up responsible government. From 1934 until it became a part of Canada in 1949 the country was governed by a Commission appointed by and responsible to the British Government in Westminster. The Commission of six men was chaired by the Governor of Newfoundland. The move from being a self-governing country with a parliamentary system to what Thomas Lodge, one of the first Commissioners, called a "dictatorship" was a momentous and traumatic event for Newfoundland.¹ Arguably, it was the key event which eventually led to union with Canada. Until the series of referenda in the 1940s which determined the fate of the country, the people of Newfoundland had no democratic voice and no formal channels for responding to or influencing the decisions being made concerning them.

The ostensible cause of the collapse of democracy in Newfoundland was a financial crisis and the country's impending bankruptcy triggered by a fall in state revenues during the Depression of the early 1930s. Newfoundland's economic weakness and fragility and the financial side of the crisis have been examined by a number of authors.² And the political events of the period have been the focus of considerable attention, most recently in Peter Neary's book *Newfoundland in the North Atlantic World*.³

My focus is on the nature of the financial crisis, the work of the Amulree Commission (set up to investigate Newfoundland's financial situation in 1933),

¹T. Lodge, *Dictatorship in Newfoundland* (London 1939).

²See, for example, S.J.R. Noel, *Politics in Newfoundland* (Toronto 1971); David Alexander, "Newfoundland's Traditional Economy and Development to 1934," in J.K. Hiller and Peter Neary, eds., *Newfoundland in the Nineteenth and Twentieth Centuries*, (Toronto 1980), 17-39; David Alexander, "Development and Dependence in Newfoundland, 1880-1970," in David Alexander, *Atlantic Canada and Confederation* (Toronto 1983), 3-31.

³Noel's *Politics in Newfoundland* was the standard text until the publication of Peter Neary's *Newfoundland in the North Atlantic World, 1929-1949* (Kingston 1988).

James Overton, "Economic Crisis and the End of Democracy: Politics in Newfoundland During the Great Depression," *Labour/Le Travail*, 26 (Fall 1990), 85-124.

and the British Government's arrival at the conclusion that Government by Commission would solve the Newfoundland problem. While previous writers have observed that there was little opposition in Newfoundland to the ending of parliamentary democracy, their main concern has been with the rationale for, and the process by which, Commission government was imposed on Newfoundland. Although this work has shed light on the collapse of responsible government, important gaps remain in our understanding of Newfoundland history during the early 1930s.

This paper will draw attention to relatively neglected aspects of the economic and political crisis of the early 1930s and the events leading up to the replacement of democratic institutions by a Commission government in 1934. In particular, it analyses something not adequately discussed in existing accounts of the period: the powerful support for suspending responsible government which developed in the early 1930s. What arguments were used by those who supported the idea that democracy was no longer viable in Newfoundland? How and why did they arrive at this position? More specifically, the focus here is on the attitude of the working classes, labour leaders, and labour's political representatives to the crisis of the early 1930s. Not only was there little opposition to the replacement of democratic institutions by Commission of Government amongst this group, but some labour leaders actively supported this move. This paper will explain this unusual situation.⁴

Democracy, Politics and Reform.

IN *CAPITALIST DEMOCRACY IN BRITAIN* Ralph Miliband draws attention to the "permanent and fundamental contradiction or tension" which exists in capitalist society "between the promise of popular power, enshrined in universal suffrage," and "the curbing or denial of that promise in practice."⁵ Democratic institutions and practices have provided "means of expression and representation to the working class, organized labour, political parties and groups, and other such forms of pressure and challenge from below," but "the context provided by capitalism" has always required that these pressures from below be as far as possible contained and weakened. It is also clear that in certain places and at certain times (during crises, for example) efforts to weaken these pressures have greatly intensified, leading even to the limiting of democratic practices and the demolition of democratic institutions.

⁴Only democracy, narrowly defined, is considered here, the definition of a parliamentary democracy offered by Raymond Williams in "Democracy and Parliament," in Raymond Williams, *Resources of Hope* (London 1989), 258, being adopted: "a system in which the whole government of a society is by a representative assembly, elected in secret ballot by all adult members of the society, at stated and regular intervals, for which any adult member of the society may be an open and equal candidate." In the period covered here, Newfoundland still fell short of being a full parliamentary democracy, but so did Britain and the United States, according to Goran Therborn, "The Rule of Capital and the Rise of Democracy," *New Left Review*, 103 (1977), 3-41. A useful discussion of democracy is to be found in E.H. Carr, *The Soviet Impact on the Western World* (New York 1944), 1-19.

⁵Ralph Miliband, *Capitalist Democracy in Britain* (Oxford 1982), 1-2.

The vigour with which franchise extensions historically have been opposed and democracy has been denounced clearly testifies to the fact that democracy has been seen as a dangerous threat to class privilege by many conservatives and liberals. John Stuart Mill, for example, thought that the masses should and would be given the vote but he was doubtful whether they would exercise their political rights in a responsible fashion.⁶ What Mill most feared was that the poor majority, armed with the vote, might pass "class legislation" and even hold the rich to ransom. This was one reason why he consistently urged that paupers should not have the vote, arguing from "first principles" that people who failed to support themselves should have no say in how the money of others should be spent.

As the franchise was extended concerns about the effects of extending political rights to a mass of ignorant and relatively poor people became widely circulated. Would the first task of such people be to "create a 'poor man's paradise", as poor men are apt to fancy that Paradise"?⁸ Would "Vox Populi" become "Vox diaboli"?⁹ These fears intensified with the emergence of working class political organizations and parties. The threat of popular political power could, in some cases, provide a powerful and persuasive argument for action to deal with grievances.

In the period following the 1914-18 war, when many countries were for the first time achieving something close to universal adult suffrage, anti-democratic sentiment and disillusionment with democracy was widespread.¹⁰ Earlier fears had in many cases turned into hysterical attacks on democracy, attacks given a sharp edge by the revolution in Russia. In Canada, support for "strong man" governments grew substantially in the period as it did in Britain and elsewhere.¹¹

The labouring classes have engaged in a long and often bitter struggle to improve their conditions of life under capitalism. At least from the Chartists on, many subscribed to the idea that the path to social reform and greater equality lay in the gaining of political power by the people. Obtaining the vote and using it to elect representatives of "the people" has been seen as one crucial step on this path. The hope and the expectation was that the negative effects of capitalism could be limited by constitutional means. Perhaps the capitalist class system might even be transformed in this way. While arguing against the latter possibility, Marx, Lenin and Trotsky, very clearly recognized the importance of democracy for the working class and the possibilities for gaining concessions by constitutional means under some circumstances.¹² The concessions they have gained have been far from

⁶R. Eccleshall, "The Identity of English Liberalism," *Politics and Society*, 9 (1979), 1-32; F. Rosen, *Jeremy Bentham and Representative Democracy* (Oxford 1983), 183-99; J.S. Mill, *Considerations on Representative Government* (London 1905), 103-24.

⁷Mill, *Considerations*, 160.

⁸W. Bagehot, *The English Constitution* (Oxford 1928), 269-71.

⁹A. Deacon and E. Briggs, "Local Democracy and Control Policy: The Issue of Pauper Votes in the 1920s," *Policy and Politics*, 2 (1974), 347-64, esp. 351 and 364.

¹⁰See, for example, E.H. Carr, *Conditions of Peace* (New York 1942), 15-38.

¹¹See, for example, Lita-Rose Betcherman, *The Swastika and the Maple Leaf* (Toronto 1975).

¹²Marx's discussion of the struggle over the length of the working day is useful here. See, K. Marx, *Capital* (London 1930), 230-311.

illusory. Writing in 1949, for example, T.H. Marshall argued that the extending of social and political rights to the labouring classes was one of the key factors "altering the pattern of social inequality in capitalist society."¹³

The economic crisis which has developed since the 1970s has seen what Claus Offe calls "the renaissance of conservative theories of crisis."¹⁴ Opposition to cuts in state spending in a number of key areas has led many neo-conservatives to argue that democracies have become "ungovernable." In the writings of Milton Friedman and others there is much talk about "the crisis of democracy" and "the crisis of governability."¹⁵ The need for a major reduction in demand for state services is recognized and democracy is seen as an obstacle to this reduction. More and more we are being told that democracy is out of control, that the revolution of rising entitlements must be ended and that the key to this is the "insulation of the key activities of government from democratic pressures."¹⁶ Such arguments show the extent to which the area of political rights is still contested terrain.

The struggle for democracy was in the past and continues to be of fundamental importance to the working class. Given this, how was it possible that, virtually without opposition, Newfoundland's constitution was suspended and with it the franchise in 1934?

The End of Responsible Government in Newfoundland.

IT WAS NOT UNTIL the appearance of Noel's *Politics in Newfoundland* in 1971 that a detailed and relatively comprehensive account of the events of the early 1930s in Newfoundland was published.¹⁷ This book stood as the definitive account of the

¹³T. Marshall, *Class, Citizenship, and Social Development* (New York 1968), 71-134, esp. 127.

¹⁴C. Offe, "Ungovernability: The Renaissance of Conservative Theories of Crisis," in C. Offe, *Contradictions of the Welfare State* (Cambridge, Mass. 1984), 65-87.

¹⁵M. Friedman, *Capitalism and Freedom* (Chicago 1962); M.J. Crozier, S.P. Huntington and J. Watanuki, *The Crisis of Democracy: Report on the Governability of Democracies to the Trilateral Commission* (New York 1975); S. Britan, *The Future that Doesn't Work: Social Democracy's Failure in Britain* (New York 1977); W. Simon, *A Time for Truth* (New York 1978). These writers offer a virulent attack on democratic politics and the welfare state. The themes taken up and even the language (the talk of "parasites," for example) is strikingly reminiscent of the anti-democratic talk of the early 1930s in Newfoundland.

¹⁶A. Cawson, *Corporatism and Welfare: Social Policy and State Intervention in Britain* (London 1982), 9. For a discussion of the extent to which such ideas have recently become part of commonsense thinking about the future of the state in many circles, see Simon Clarke, "Capitalist Crisis and the Rise of Monetarism," in R. Miliband and J. Saville, eds., *The Socialist Register 1987* (London 1987), 393-4. It is significant that Newfoundland's recent Royal Commission on Employment and Unemployment, Government of Newfoundland and Labrador, *Building on Our Strengths: Report of the Royal Commission on Employment and Unemployment* (St. John's 1986), 24, 77, 314 talks easily about the limits of the welfare state while promoting "realism." For a critique, see J. Overton, "Building on Our Failures," *New Maritimes*, 5 (1987), 6-7.

¹⁷The collapse of responsible government in Newfoundland, and the country's experience with Commission of Government in the period 1934-49, are dealt with in: R.A. MacKay, "Newfoundland Reverts to the Status of a Colony," *The American Political Science Review*, 28 (1934), 895-900; H.A. Innis, "Basic Problems of Government in Newfoundland," *Canadian Journal of Economics and*

Commission period until the publication of Peter Neary's *Newfoundland in the North Atlantic World, 1929-1949* in 1988.¹⁸

Two chapters in Noel's book examine "the collapse of responsible government" and the "unconditional surrender" which led to the establishment of government by Commission in 1934. Noel traces the development of the economic and political crisis of the early 1930s. He comments on the Amulree Commission of 1933, the inquiry which found the political situation in Newfoundland beyond repair and recommended the establishment of Government by Commission. And he traces in broad terms the events of the Commission period. Noel's account is informative and insightful. In some respects, however, his discussion of the crisis of the early 1930s is incomplete.

Noel leaves the reader with the impression that Commission government was something which was essentially dreamt up and imposed on Newfoundland from outside.¹⁹ And, following Noel, it has been common to assume that the Amulree Report was "little more than window dressing," it being a way to legitimize and justify decisions about Newfoundland's future government which had already been made in Britain.²⁰ It is true that the future path for the country as eventually presented in the Amulree report had already been mapped out in Britain before the report was written in late 1933. It is also true that, in the Amulree Report, Britain made the Newfoundland government an offer it would have found difficult to refuse. Detailed examination of the submissions to the Amulree Commission, and of the political climate in the early 1930s, however, makes the suggestion that the Report was simply "window dressing" untenable. The arguments presented in the Amulree report are too consistent with much contemporary political thinking in Newfoundland to be dismissed. Even if the report was "window dressing," why did so many find its message not only acceptable but so attractive?

Noel takes issue with the view expressed in the Amulree Commission's Report that Newfoundland's ills were not just economic and financial, but more fundamentally political and moral, resulting from "a prolonged period of misgovern-

Political Science, 3 (1937), 83-5. In the 1940s the future of Newfoundland was discussed in Lord Ammon, *Newfoundland: The Forgotten Island* (London 1944) and R.A. MacKay, ed., *Newfoundland: Economic, Diplomatic, and Strategic Studies* (Toronto 1946). Other studies of interest include H.B. Mayo, "Newfoundland's Entry into the Dominion," *Canadian Journal of Economic and Political Science*, 15 (1949), 505-22; Houston T. Robinson, "Newfoundland's Surrender of Dominion Status in the British Empire 1918-1934," PhD thesis, University of Chicago, 1949; St. John Chadwick, *Newfoundland Island Into Province* (Cambridge 1967), 154-91.

¹⁸Noel, *Politics in Newfoundland*, 186-214; Neary, *Newfoundland*. More detail is provided in P. Neary, "That thin red cord of sentiment and blood': Newfoundland in the Great Depression, 1929-34," unpublished paper, 1985.

¹⁹Noel, *Politics in Newfoundland*, 212-3, 220.

²⁰R.M. Elliott, "Newfoundland Politics in the 1920s: The Genesis and Significance of the Hollis Walker Enquiry," in J. Hiller and P. Neary, eds., *Newfoundland in the Nineteenth and Twentieth Centuries: Essays in Interpretation* (Toronto 1980), 189-99. The *Newfoundland Royal Commission, 1933, Report* (London 1933) is generally referred to as the Amulree Report. Lord Amulree was head of the Royal Commission which recommended Commission of Government of Newfoundland.

ment" which had "demoralized the people and warped their outlook."²¹ Noel concedes that the Commission might have been "unduly influenced by the testimony of bitter, panic-stricken men who, not understanding the economic nature of their troubles, blamed everything on the 'dirty game' of politics."²²

In trying to explain the position taken by the Amulree Commission, Noel suggests that the "commissioners were, inevitably, men whose political values and assumptions were shaped by the forces of their own times." He notes the widespread loss of "faith" in democratic institutions and competitive politics in the period and argues that it is:

Not surprising that in 1933 a royal commission composed of a British peer and two Canadian bankers should have recommended the suspension of Newfoundland's broken-down system of democracy and its replacement by an essentially dictatorial form of government.²³

What for Noel was "not surprising," however, was for Harold Innis *very* surprising. In 1937 Innis had posed the question: "How could a Labour peer as chairman of the Commission sanction the recommendations of the report?"²⁴

But if Noel is not surprised that representatives of the British and Canadian 'ruling classes' should advocate an end to democracy in Newfoundland, he is a little perplexed at the willingness of Newfoundlanders to accept both the Amulree Commission's analysis and its recommendations. This he puts down to the fact that "democratic politics has no strong defenders in Newfoundland."²⁵ The Commission's proposals were "greeted calmly, almost apathetically," while there were "no leaders to rally opposition."²⁶ And here Noel mentions Richard Squires, the former Liberal prime minister, the Liberal rump of two in the Assembly led by F. Gordon Bradley, and William Coaker, the former head of the Fishermen's Protective Union and recently a Squires' minister, as possible mobilizers of opposition.

The lack of opposition to Amulree's proposals is also commented on by Chadwick:

In a country less physically and morally defeated such recommendations might well have led to disorders, if not bloodshed. It is a measure of the island's anguish that a people who had struggled for so long to gain and to maintain their separate identity, could now be judged as having no more than academic regard for the constitutional niceties, which seemed of small importance compared with the necessity of rescuing the country from its parlous state.²⁷

What both Chadwick and Noel fail fully to appreciate is the extent to which

²¹ *Newfoundland Royal Commission*, 193.

²² Noel, *Politics*, 217.

²³ Noel, *Politics*, 217.

²⁴ Innis, *Basic Problems*, 85.

²⁵ Noel, *Politics*, 220.

²⁶ Noel, *Politics*, 213.

²⁷ Chadwick, *Newfoundland*, 161-2.

the analysis presented in the Amulree report found widespread expression and support in Newfoundland in the early 1930s and in the years leading up to the political crisis of 1931-34. A large and varied body of opinion existed by 1933 which supported the idea that the country had proved incapable of sustaining that tender plant, parliamentary democracy. Many disillusioned people called for a rest from "politics." There had already been efforts by businessmen like W. Alderdice to "save his country from the 'politicians'."²⁸ But now there emerged specific calls for an end to the party system and its replacement with a National Government or some form of non-democratic government, whether it be rule by commission or dictator. Nor was anti-democratic thinking and support for dictators confined to representatives of the ruling class. Some of the very people who might have been expected to defend democracy, including William Coaker, had led the call for a new un-democratic state form.

Disillusion with democracy was not unique to Newfoundland. Critiques of party politics and democracy were on the rise in Britain and elsewhere during this period. Admiration for dictators was widely expressed. There was support for a greater role for non-political experts in government, and corporatism was widely promoted. In Newfoundland, however, as in some other countries, the economic crisis triggered a political crisis which gave anti-democratic arguments particular force.

Peter Neary's recent book provides a detailed account of the financial aspects of Newfoundland's collapse in the early 1930s and the high-level political manoeuvring behind the scenes in the eighteen months leading to the establishment of Government by Commission early in 1934. Neary shows that Lord Amulree's task was to work out a solution to the Newfoundland problem and "strike a bargain" which would be acceptable to not only the United Kingdom, but also to Canada and to the Newfoundland government which, according to the Statute of Westminster, would have to act on any recommendation.²⁹ That this might not prove an easy task became clear to Amulree when he arrived in St. John's and found Prime Minister Alderdice and his cabinet arguing for a scheme of partial default on Newfoundland's debts and firmly against Confederation, Crown Colony status, Government by Commission, further borrowing, or the sale of Labrador. This position might appear strange, given that Alderdice had been elected on the sole issue of looking into the possibilities of Government by Commission, unless it is viewed as a kind of initial bargaining position. In the face of opposition, Amulree began by exploring means by which Newfoundland might be incorporated directly into the United Kingdom. This suggestion was dismissed by British officials and Amulree was instructed to work out whatever temporary solution to Newfoundland's problems that he saw fit. To this end, plans for the temporary control of the finances of Newfoundland as a condition of further financial assistance were prepared.

²⁸Neary, *Newfoundland*, 30.

²⁹Neary, *Newfoundland*, 17.

It was not until mid-1933, after Confederation and various other possibilities had been considered and after Canada had made it clear that it would take no responsibility for the Newfoundland problem, that a decision was made in London to link continued British financial assistance to Newfoundland to a "strict form of control."³⁰ This, it was thought, could be justified by reference to the country's "prodigal past," and it would teach the country the lesson that misgovernment would not be tolerated. The United Kingdom Treasury's insistence that default had to be avoided provided the impetus for plans to get Newfoundland to give up self-government and for the country's debt to be rescheduled and honoured. What emerged was, in the words of Neville Chamberlain, "the nearest approach to a form of Crown Colony which we have been led to believe that Newfoundland would accept."³¹ Amulree's job was to persuade the Newfoundland government to accept the plan without an election (it had pledged to go to the people before and to take action) in order to avoid suspense and speculation in Newfoundland bonds. The two other Commissioners agreed with Amulree's proposals and without too much wrangling, Alderdice also accepted the British plan.

The Amulree Report was favourably received by many in St. John's, including the leading newspapers, when it was released on 21 November 1933. Alderdice's difficult job, however, was to persuade his colleagues to accept the proposal post haste. This did not prove too difficult, and a week later the House of Assembly approved the Amulree Commission recommendations. The Legislative Assembly immediately followed suit. Dissent was expressed by the Liberal opposition in the House of Assembly, but this was muted and half-hearted. Opposition was also expressed by Richard Squires and William Coaker, but the latter's main objection was that Alderdice had ignored his election pledge to go to the people before acting. Squires' protests carried little weight, and were more than balanced by support for Commission of Government which came from the Newfoundland Board of Trade and elsewhere.

At this point we come back to the question of why there was little opposition to Commission of Government and the argument of this paper that existing accounts of the crisis of the early 1930s can usefully be supplemented by a detailed examination of the growth of support for a change in state form in Newfoundland in the period. In particular, it is important to consider the conditions which led liberal and "socialist" reformers and labour leaders to support an end to party politics and representative democracy. Analysis of the background to the crisis of the early 1930s, of politics and power in this period, can help us understand why there was but little opposition to suspending the constitution, and support for this measure from many quarters.

³⁰Neary, *Newfoundland*, 25.

³¹Quoted in P. Hart, "The Breakdown of Democracy in Newfoundland, 1931-1934," Unpublished paper, 1987, 7. A copy of the paper is deposited in the Centre for Newfoundland Studies, Memorial University of Newfoundland.

Disillusion with Democracy in the Era of the Cloth Cap.

The symbol of rule is no longer a crown or a sceptre, It is — here Prof. Paton held up a cloth cap — it is the worker's cloth cap (J.L. Paton, President of the Newfoundland Memorial College, 1926).³²

IN NEWFOUNDLAND, as in the West generally, disenchantment with party politics and unease with democracy was evident in the 1920s.³³ The crisis of the early 1930s, the failure of the Liberal government in 1931, and the impending bankruptcy of the country ignited these sentiments into a series of flaming attacks on democracy.

There were several distinct currents in the development of this dissatisfaction with democratic politics. The main focus here is on those who may be called frustrated reformers. Two particular individuals are discussed: William Coaker "the reformer," sometime small fish merchant, union organizer, and then founder of the Fishermens' Protective Union; and J. R. Smallwood, self-proclaimed socialist, unionist, founder of the first Newfoundland Federation of Labour, and in 1949 the first premier of the Canadian province of Newfoundland.³⁴

The first two decades of the 20th century saw the rise of a "mass-organized and politically conscious labour movement" in Newfoundland.³⁵ The Fishermen's Protective Union, founded in 1908 by William Coaker, spearheaded this movement to represent the interests of the "toilers." At its peak it had a membership of about 20,000. The FPU sought to improve the lot of producers in the fishery by breaking the hold of the credit system, and to "rationalize and modernize" the industry. Smallwood may be correct in describing the FPU as "more of a primary producers' movement... than a trade union," but the FPU also represented the interests of those fishermen and non-fishermen who were loggers.³⁶ It pressed for legislation to improve working conditions for loggers and sealers, as well as for old age pensions, better education, and small rural hospitals. Moving into politics, the FPU adopted a "balance of power" strategy of supporting the party which would do the most for the masses.³⁷ The Union had considerable electoral success and won some concessions.

World War I brought change to Newfoundland, including an economic boom, inflation (in part linked to war profiteering), and limited improvements in living standards. Coalition government and relatively full employment created conditions

³²J.L. Paton, "Education and the Workingman," *Daily Globe*, 28 January 1926, 8.

³³Ian McDonald, "W.F. Coaker and the Balance of Power Strategy: The Fishermen's Protective Union in Newfoundland Politics," in Hiller and Neary, eds., *Newfoundland*, 171-2.

³⁴The best source on Coaker is Ian McDonald, "To each his own": *William Coaker and the Fishermen's Protective Union in Newfoundland Politics, 1908-1925* (St. John's 1987). For Smallwood see, Richard Gwyn, *Smallwood: The Unlikely Revolutionary* (Toronto 1972); J.R. Smallwood, *I Chose Canada* (Toronto 1973).

³⁵See Noel, *Politics in Newfoundland*, 77; McDonald, "W.F. Coaker and the Balance of Power," in Hiller and Neary, eds., *Newfoundland*, 148-80.

³⁶J.R. Smallwood, *Coaker of Newfoundland* (London 1927), 91.

³⁷McDonald, "W.F. Coaker and the Balance of Power."

in which the FPU and the labour movement were able to exercise limited influence over government policy. During the war, the Newfoundland Industrial Workers' Association (NIWA) was formed. This "general union" sought to organize all classes of workers, but also acted as a "national labour federation," that is, a "legislative lobby in the interests of the working class."³⁸ The NIWA gained most of its support in St. John's, but also had branches in Grand Falls, Botwood, Port Aux Basques, and other small towns. NIWA membership was diverse. It included a womens' branch and attracted the support of "socialists" such as George Grimes, a member of the Fishermen's Protective Union and a member of the Newfoundland House of Assembly, and J.R. Smallwood. The latter edited the NIWA's paper, *Industrial Worker*, for a time. The NIWA took up important issues such as the cost of living, the eight-hour day, a minimum wage, and the limiting of child labour. It pressed for the creation of a Labour Department.³⁹ Cuff describes the NIWA as a relatively conservative organization, adopting an "approach of class collaboration in its rhetoric."⁴⁰ It did channel working-class anger and militancy into disciplined job actions.⁴¹ But events in the early 1920s show that the NIWA could also be militant and confrontational in trying to force action to deal with problems like unemployment.⁴²

William Coaker was a Minister of the National government which was in power during 1917-19. In 1919 the FPU joined forces with the Liberals to form a government in an atmosphere of optimism and radicalism which was typical of those countries which had been involved in the war.⁴³ In Newfoundland, as in Britain, a home fit for heroes would have to be one with substantial improvements in material well-being. If the war had been fought for democracy and civilization, now it was time for the slogans to be given real meaning. The new government of Richard Squires was an avowed reformist one in which William Coaker became the Minister of Marine and Fisheries.

Impatient for reform, in 1919 the NIWA followed the path mapped out previously by the FPU by moving into electoral politics. But the attempt to give Newfoundland's working class an independent political voice was unsuccessful.⁴⁴ Later in the 1920s, one "Workingmen's Party" candidate, W.L. Linegar, Cooper's Union president, was elected to the House of Assembly as a member of W.S. Monroe's "true merchant party."⁴⁵ This path was followed by more than one labour

³⁸Bill Gillespie, "Trade Unionism in Pre-Confederation St. John's," in M. Baker, R. Cuff, B. Gillespie, eds., *Workingmen's St. John's* (St. John's 1982), 19; R. Cuff, "The Quill and the Hammer: The N.I.W.A. in St. John's, 1917-1925," in Baker, Cuff, and Gillespie, eds., *Workingmen's St. John's*, 45-62.

³⁹*The Industrial Worker*, 8 March 1919, in Public Archives of Newfoundland and Labrador, P8/B/11, Box 69, File 19.

⁴⁰Cuff, "Quill," 52.

⁴¹Peter S. McInnis, "Newfoundland Labour and World War I: The Emergence of the Newfoundland Industrial Workers' Association," MA Thesis, Memorial University of Newfoundland, 1987, 180.

⁴²Cuff, "Quill," 57-8.

⁴³Noel, *Politics*, 134-48.

⁴⁴Cuff, "Quill," 55.

⁴⁵Cuff, "Quill," 57.

leader in the period. Ken Brown, who led the major strike by Grand Falls paper mill workers in 1921, was elected as Liberal Member of the House of Assembly in 1923.⁴⁶ Brown later became labour minister in William Alderdice's government, which voted to suspend Newfoundland's constitution in 1933.

Coaker's plans to reform the fishing trade had hardly begun when the early 1920s' depression struck, frustrating his efforts. The fishing industry was soon in difficulties and by 1921-22 there was widespread unemployment and poverty in Newfoundland. As the government floundered, opposition mounted, particularly from the St. John's unemployed. The government responded by providing relief and by strengthening the forces of law and order.

The relief schemes of the early 1920s were developed very quickly in crisis conditions at a time when there was no effective government machinery for their administration.⁴⁷ Chaos developed. Vast sums were expended, few returns were made, and there was evidence of great laxity and even corruption in the handling of funds. The extent of the chaos was revealed in 1925 when, following a political scandal and the resignation of Prime Minister Squires, the report of the Hollis Walker inquiry was issued. This report documented a sorry state of affairs in Newfoundland, including the gross mismanagement of relief projects. Its findings in many ways foreshadowed those of the Amulree Commission.

The war, and the political and economic crisis of the early 1920s, revealed that the Newfoundland labouring classes were a force to be reckoned with. In some circumstances, through direct action and political influence, they could force limited concessions out of reluctant politicians who could not ignore their demands completely and remain in power. Relief and development projects were financed by loans as governments proved unable or unwilling to raise revenue locally by increased taxation.⁴⁸ The 1920s saw continuous budget deficits and a mounting national debt, which in 1927-28 ate up 40 per cent of the country's revenue in interest. "Retrenchment" was a word on the lips of many politicians in the 1920s and some efforts were made to keep down expenditures on relief and health care, but it was not until the outbreak of the Depression that deep alarm about the financial situation of the country became widespread.

The scandal which led to the Hollis Walker inquiry destroyed the Squires-Coaker party, ousted Squires, and led Coaker to withdraw from politics. By 1925, conservative forces dominated the political landscape and the possibility of reform seemed more distant than ever to Coaker. He expressed his disenchantment with politics in late 1925 by calling for Commission of Government at the FPU annual convention in Port Union.⁴⁹

⁴⁶*Who's Who in and from Newfoundland* (St. John's 1927), 210.

⁴⁷It was estimated by the Amulree Commission that about \$2 million was spent on various forms of relief in 1921-22.

⁴⁸Noel, *Politics*, 182-3. In fact, the Conservative Monroe government actually abolished some of the limited progressive taxes (income tax and excess profits tax) imposed earlier while increasing import duties on many items consumed by the masses.

⁴⁹*Daily Globe* (St. John's), 26 November 1925.

This was the "most momentous" of all the annual addresses Coaker delivered in his 17 years in office. Walter Monroe's Tory government began to show its true character, and opposition to its policies was building. But the key question for Coaker was what would replace it. He argued that it was "the duty of those opposed to the Government to produce a party" that would govern the country "cleanly, economically and progressively," but he clearly saw little hope of this. Nor would he run for office unless "absolutely assured that [his] political ideals...would form a part of the political creed of a new Government." Frustrated, Coaker looked to a form of government which would be above politics. His call was for a party to appeal to the electorate "on the single issue of passing a law to place the Government of the country in the hands of nine men for ten years," these men to be chosen to "ensure denominational representation." Once elected, the Commission would not be removable and its task would be to "clean up" government and put the country's "household in order." These tried and tested men would be responsible for introducing reforms, establishing industry, placing the fishing industry on a businesslike basis, "slaying the monster of graft, boodle and bribery," trimming the civil service, and implementing a massive retrenchment programme to cut millions from public expenditure.

Coaker was pessimistic about the future and he wanted to make sure that the "ship of state" was "commanded by the best crew" possible. He argued that the "future depends more on the right type of men elected than the policy they advocate." The FPU endorsed Coaker's proposal:

If a special effort is to be made to pass an Act to enable the electorate to elect nine Commissioners for a term of ten years, we are ready to take our place side by side with a party that will place such an issue before the country and in making this recommendation we fully realize that the country is seriously considering what alternative to the present Party system is available to reform public life, reduce expenditure, initiate industrial progress and place the fishing industry on a sound businesslike basis.⁵⁰

In 1928 a Liberal government led by Richard Squires replaced the Conservatives. The party's platform was one of industrial development and balanced budgets. Even though disillusioned, Coaker was tempted back into politics and he became part of the new government. He allied with Squires for a final attempt at fisheries reform and because he was convinced that serious retrenchment was urgently needed. But Coaker's alliance with Squires was an uneasy one and he was again calling for Government by Commission in 1929.⁵¹ Increasingly, Coaker was convinced that no reform was possible in Newfoundland whatever the political party. When the Squires' government collapsed in 1932 Coaker was a bitter, defeated man and a strong advocate of an end to politics in Newfoundland. Coaker the "radical and nationalist," Newfoundland's "union hero,"⁵² the man who had

⁵⁰W.F. Coaker, *History of the Fishermen's Protective Union* (St. John's 1930), 241.

⁵¹*Fishermen's Advocate*, 27 December 1929.

⁵²L.B. Wheeler, "The Loss of Responsible Government and Dominion Status by Newfoundland, 1933-1934," Unpublished paper, 1968, 205; R. Crocker, "William Coaker: Newfoundland's Union Hero," *Atlantic Advocate*, 9, 4 (1987), 15-8.

argued in 1925 that the Governor of Newfoundland should be a Newfoundlander, ended up playing a key role in preparing the country to accept both the loss of responsible government and direct rule from Westminster in 1934.

Like the various populist parties which emerged in Canada in the first part of this century, the FPU had added a new political voice to the battle between the "ins" and the "outs." The FPU had, however, been forced into a coalition with liberal forces in order to try and gain political power. The collapse of the post-war Squires' government amidst charges of corruption left the unionists with limited political room to manoeuvre. In the conditions of the 1920s the cruel game of politics offered little chance for a relatively weak party of principle and reform to progress. Coaker's options were limited. The FPU no longer had the power and support to form a third independent party to represent the masses, although Coaker clearly recognized the need for an independent voice and a party of reform. In the circumstances, the FPU had little choice but to continue to align itself with the corrupt Liberals and press for a revitalization of the Party. It was in this situation that Coaker came to regard the political system as a positive barrier to reform. His alternative was Government by Commission, a kind of coalition or national government modelled, to some extent, on the wartime National Government formed in 1917.

J.R. Smallwood, another unionist and reformer, moved along somewhat the same path as Coaker in the late 1920s and early 1930s. A comment on this will shed some light on the question of the labour movement's response to the political crisis of the early 1930s and the question of support for Commission of Government.

As Gillespie shows, the Newfoundland labour movement was firmly reformist during the period we are considering, largely free from the "socialist and communist" influences found elsewhere in North America.⁵³ The aim was to advance the cause of working people by peaceful and parliamentary means. Union formation would be encouraged, mutual aid would be provided for members, progressive measures would be lobbied for and politicians who espoused labour's cause would be supported. Strikes were to be avoided if at all possible. Throughout the 1920s, the labour movement had a strong anti-communist and perhaps anti-socialist orientation. The emphasis, then, was on "working within the existing socio-political system" to improve the lot of the working classes.⁵⁴ This was also the main aim of the first Newfoundland Federation of Labour formed by J.R. Smallwood in 1925.⁵⁵

The efforts of the labour movement and the FPU did show some results. In 1910 a Trade Union Act was passed and soon other legislation followed. From the start the FPU lobbied for improved conditions for woods workers and some headway was made in this important area. The Liberal Party, the union movement

⁵³W.E. Gillespie, "A History of the Newfoundland Federation of Labour, 1936-1963," MA Thesis, Memorial University of Newfoundland, 1980, 12.

⁵⁴Gillespie, "Newfoundland Federation."

⁵⁵J.R. Smallwood, "The Newfoundland Federation of Labour," *Daily News*, 11 May 1925, 9.

generally, and individuals such as Coaker and Smallwood strongly supported a program of industrial development to diversify the Newfoundland economy and provide well-paid employment.⁵⁶

In 1925 Smallwood returned to Newfoundland from New York where he had been working on a socialist paper, *The Call*, and on the *New Leader*. He was soon working full-time on a broad front to promote labour interests. He did this as a union organizer in Grand Falls and elsewhere, as the founder and head of the first Newfoundland Federation of Labour, and as a newspaper editor. Smallwood probably was responsible for giving labour issues a high profile in the *Liberal Daily Globe* when he took over the paper's editorship.

Richard Gwyn suggests that in the late 1920s Smallwood was nothing more than a Squires "yes" man and a Liberal Party lackey.⁵⁷ In reality, things appear rather more complicated. Smallwood's writings from the period suggest a somewhat more-uneasy alliance with the Liberals. He later described his period with the *Globe* as one of "strong political discontent."⁵⁸ Smallwood identified himself as first and foremost a socialist in "basic philosophy." He was also a strong unionist, an admirer and biographer of Coaker, as well as a member of the British Labour Party, writing a great deal about labour politics in Britain in the mid-1920s. In Newfoundland, he argued that the most promising political direction for labour was with the Liberals. Liberalism had "its roots set deeply down in the fishing and working classes" and an "honourable record of taking always the side of the people."⁵⁹ In the 1920s Smallwood thought that Liberalism was "as close as it was reasonable or practical to think the island could get to Socialism." Nevertheless, he criticized the Liberal party for being "intellectually bankrupt" and politics for having "degenerated into...a barefaced tug of war between the Ins and the Outs."⁶⁰ Smallwood's comments here are similar to those made by Coaker in the period. And, like Coaker, Smallwood made efforts to try and revitalize the Liberal Party by returning it to true "liberal values."⁶¹

Newfoundland in the mid-1920s was not a particularly hospitable place for a union organizer and socialist. The once-powerful FPU was in decline. The reform efforts of the Squires-Coaker government had failed. Some headway was made in spreading unionism in the newer industrial centres of the country, but also bitter battles were being fought over wages and working conditions, for example, in the Bell Island iron ore mines. In the mid-1920s, the forces of reaction regrouped and fought a rearguard action against collectivism and labour influence. One potent tactic in the battle against labour was to link trade unionism and socialism with the threat of communism and revolution. After the Russian Revolution, charges of

⁵⁶J.R. Smallwood, *The New Newfoundland* (New York 1931), 1-4.

⁵⁷Gwyn, *Smallwood*, 41-2.

⁵⁸Smallwood, *I Chose Canada*, 164.

⁵⁹Smallwood, *I Chose Canada*, 159-64.

⁶⁰Smallwood, *I Chose Canada*, 164.

⁶¹In a series of articles in the *Daily Globe* with the title "What is Liberalism?"

communism were used to discredit and undermine the efforts of unionists and reformers. The general atmosphere in the mid-1920s provided a foretaste of the anti-communist witch hunts of the Cold War period.

Efforts were made to discredit Smallwood by tarring him with the communist brush, not least by T.J. Foran, editor of the *Searchlight*.⁶² It is not possible to gauge the effects of these attacks. As a tactic to counter the influence of unionism they no doubt made some sense and had some impact. But that they were wrong-headed as a description of Smallwood's politics is beyond dispute. In statement after statement in the 1920s, Smallwood distanced himself from communism while parading his Liberal credentials and arguing for a "sane, constitutional, Christian socialism."⁶³ In this respect he did not differ from Ramsay MacDonald, British Labour Party leader, whom he much admired — he named his first son Ramsay Coaker. In Britain, MacDonald led the Labour party toward "the New Liberalism" and "adaption to capitalism," a direction which required purging Communist Party members from Party ranks.⁶⁴ In Newfoundland, Smallwood attempted to create a "new Liberalism" which would serve labour interests.⁶⁵ He hoped that if Newfoundland labour trod the British path, this would lead to its acceptance. Arguing that "the enemies of labour have learned in recent years, that the quickest way of hurting a labour movement is to try and connect it up in some way with Bolshevism," Smallwood made every effort to distance his activities from any hint of radicalism.⁶⁶ Like Ramsay MacDonald, Smallwood was definitely and unequivocally anti-communist. So was the *Liberal Globe* which he edited in 1926.⁶⁷ In 1925 and 1926 the *Globe* promoted Christian Socialism against communism and conservatism. It took an anti-war stand and promoted cooperation, advertising and radio as progressive forces. Through the pages of the *Globe* "God [was] calling to the masses", hoping to drown out the whispered temptations of the "Reds".

Smallwood's position was that the labour movement should be "united against Bolshevism and Communism, its arch-enemy."⁶⁸ From the start the Newfoundland Federation of Labor's position was clear:

The Federation of Labor is strictly constitutional in spirit and letter. We know exactly what are our constitutional rights, and we have studied the British and other constitutions, and have a deeper

⁶²See the exchange in the *Daily News*, 4,5,6,7,8 May 1925.

⁶³J.R. Smallwood, "Why I Oppose Communism," 7. A copy of this talk is to be found in the Smallwood Papers, CNS, Memorial University of Newfoundland, 7.02.001.

⁶⁴Allen Hutt, *The Post-War History of the British Working Class* (London 1937), 106-7. Trotsky's 1925 account of Labour politics in this period is very insightful and well worth consulting, see *Where is Britain Going?* (London 1970).

⁶⁵*Daily Globe*, 30 January 1926, 4.

⁶⁶*Daily News*, 8 May 1925.

⁶⁷For example, the *Daily Globe*, 26 December 1925 ran an editorial in late 1925 about the raising of the Union Jack by the National Fascisti in Battersea, London. The *Globe* saw this as a laudable and understandable action on the part of British patriots because Battersea was a "hot bed of Red activities," being represented in parliament by Shapurji Saklatvala, the Communist.

⁶⁸Smallwood, "Why I Oppose Communism," 7.

appreciation of liberty and justice and democracy than our detractors. We shall inflexibly oppose Bolshevism and force, violence and Revolution. We shall stand for law and order.⁶⁹

The Federation of Labor would lobby for a collective bargaining law, an eight-hour day law, a minimum wage law for women and children, free education, unemployment insurance, and a national health bill, all measures which would improve the condition of the people, while exerting its influence "to prevent strikes." After a visit to England in late 1926 and early 1927 Smallwood again took up the "War on the Reds" in a radio broadcast with the title "Why I Oppose Communism."⁷⁰ In this lecture he contrasted the "black" countries where "all pretence at democratic government has been cynically cast aside" with the "white" Anglo-Saxon nations of Britain, France and Germany where democracy had been able to "take root" and survive. How did it come about that by 1932, Smallwood, stalwart defender of democracy against dictatorship, was advocating an end to parliamentary government in Newfoundland?

Smallwood's "socialism," then, was not about the working class seizing power and creating a workers' state. It was not about creating a classless society, but about creating a better place for labour within capitalism. It was about uplifting the toiling masses and improving their lot. It was a Fabian socialism which recognized the importance of labour having a political voice, but which put country before party and class. It was a socialism which to a large extent accepted "capitalist rationality." It is this fact which, according to Milliband, helps explain why Labour governments so easily shift from being agents of reform to being agents of conservative retrenchment.⁷¹

Smallwood's thinking about economic and political affairs is worth examining in a little more detail since it provides some understanding of both his and William Coaker's support for an end to politics in the early 1930s. Smallwood aimed to give labour an effective political voice in the struggle for reform. The NFL's creation was an essential step in this direction. But he also worked to get the Liberal Party to "pull itself together...and appear before the country stripped for battle, the banner of social and political reform held high."⁷² His series of articles ("What is Liberalism?") offered "a restatement" of the "aims, objects and ideals" of Liberalism by grappling with Newfoundland's pressing problems. To "turn from" the problems of the public debt, retrenchment, scientific taxation, civil service reform, the fishery, agriculture, labor, Bell Island, education and the railway would be "to give our assent to the disaster that like creeping paralysis is reaching towards us:"

Whether it be a New Liberalism, or old Toryism, or Laborism, or a Royal Commission, that governs us in the future, these ten problems will present themselves at the door of the ruling body and demand immediate recognition. From them we cannot escape.⁷³

⁶⁹*Daily News*, 11 May 1925, 9.

⁷⁰Smallwood, "Why I Oppose Communism," 1.

⁷¹Milliband, *Capitalist Democracy*, 107.

⁷²*Daily Globe*, 8 February 1926, 6.

⁷³*Daily Globe*, 30 January 1926, 4.

The public debt was *the* key problem; its solution was linked to the questions of taxation, retrenchment and the civil service. A scientific and equitable tax system would raise revenues, but there was a pressing need to:

Sharpen up the pruning knife — the Geddes Axe, they called it in Britain — and, with the precision and sureness of a medical surgeon, perform an immediate operation on the whole Civil Service.⁷⁴

Smallwood's position was that Newfoundland could not afford "the present cost of overhead expenses."⁷⁵ Arguing that there is "probably no more wasteful system of public administration — or one with so many possibilities for corruption — than in Newfoundland," he prescribed a "special commission of intelligent men" to "overhaul the entire public service" and promote "drastic retrenchment and economy." Without this, Newfoundland would continue along the road to "financial disaster or — Confederation."⁷⁶

It was in the context of discussions of Newfoundland's pressing problems and the urgent need for reforms and questions about the ability and willingness of the Liberal Party to remake itself that both Coaker and Smallwood first discussed Government by Commission in the 1920s. Both the struggle to create an effective voice for the labouring classes and a new liberalism failed in the 1920s; by the end of the decade, possibilities for substantial reform must have seemed remote. With the onset of the Depression they vanished completely. Even some of the limited gains made by working people began to erode.

Smallwood and Coaker, the frustrated reformers, present one face of the disillusion with democracy which existed on the eve of the Great Depression in Newfoundland, but other anti-democratic currents also existed. McDonald argues that a section of Newfoundland's mercantile elite had never been keen on responsible government, feeling that their interests would be best served under a Crown Colony.⁷⁷ In fact, Newfoundland had been granted Dominion status in the early 1900s, which status guaranteed autonomy within the British Empire according to the Imperial Conference of 1926. Walter Monroe, the "plain man of business" who led the "merchant junta" which governed the country during 1925-28 was one person unhappy with this autonomy. He was on record (in 1913) as regarding responsible government an "expensive luxury"; in 1927, he was argued that Newfoundland did not "wish a status of equality with the mother country" because this might mean that "if at any time they might have a difficulty in governing themselves and apply to the King for a Royal Commission, they might receive the

⁷⁴Sir Eric Geddes was a businessman who headed the Committee on National Expenditure set up in 1921 in Britain to oversee cuts in public spending.

⁷⁵*Daily Globe*, 8 February 1926, 4.

⁷⁶*Daily Globe*, 8 February 1926, 4.

⁷⁷Ian McDonald, "W.F. Coaker and the Fishermen's Protective Union in Newfoundland Politics, 1908-1925," PhD Thesis, University of London, 1971, 355; Wheeler, "Loss," 22; Noel, *Politics in Newfoundland*, 179, 183; *Daily News*, 28 November 1933.

answer, "Physician heal thyself."⁷⁸ In 1933, as a member of the Legislative Council, Monroe strongly supported the Amulree Commission's recommendations:

Responsible Government is the ideal form of Government, but an expensive luxury in a small community like ours...if we had a form of Government similar to Barbados and Jamaica we would not be in the position we are today...[and] if our grandchildren have to give consideration to the return of Responsible Government...they [should] give weighty consideration to a milder form of Government, rather than the full autonomous form of Government which we have enjoyed.⁷⁹

In the late 1920s and early 1930s, it was the deficit that elicited concern about "party politics" in both Newfoundland and Britain.⁸⁰ Monroe's opinion that there was little hope of balancing Newfoundland's budget under the existing form of government was not uncommon:

There are those who believe that salvation can come only from an outsider, whose instructions would require him to see that the expenditure did not exceed the revenue. This would mean reversion to the position of a Crown Colony, from which the Island was raised in 1855. However advisable this might be, such a solution is impossible. No self-respecting people would give up the right of managing their own affairs, which they have exercised for two generations.⁸¹

The same writer argued that embittered "class feeling," a broad franchise, and the power of the "itinerant orator" over an ignorant electorate would help "explain much in Newfoundland politics."⁸² The conservatives' longstanding concern about the extent of popular influence in politics became the focus of particular anxiety in the 1920s and early 1930s. The emergence of the FPU and the NIWA had altered power relations in the first two decades of the century. In the 1920s conservatives began to blame the country's ills on the evil of "Coakerism". This doctrine, it was argued, was like "Communism in France, Socialism in England, and Bolshevism in Russia." It had captured the mind of the masses and had "pernicious results on the body politic."⁸³ With the re-election of a Squires' government in late 1928, such arguments were increasingly heard from conservative ranks. It was argued that insatiable demands by the ill-informed and unpatriotic mass of voters acting through their elected representatives caused the mounting deficit, and that if not resisted they would ruin the country. This statement by one politician — who in 1934 became a Commissioner — against funding for a ferry service is typical:

⁷⁸ A.B. Keith, *The Sovereignty of the British Dominions* (London 1929), 27-18.

⁷⁹ *Evening Telegram*, 28 November 1933.

⁸⁰ For example, in Britain the City pressed for coalition government as a way of keeping public expenditure in check. See B.B. Gilbert, *British Social Policy, 1914-39* (Ithaca 1970), 168.

⁸¹ Authored by "X", "Newfoundland," *Queen's Quarterly*, 36 (1929), 166.

⁸² "Newfoundland," *Queen's Quarterly*, 36 (1929), 167. The dangers of a broad franchise had long been limited in Newfoundland by an appointed Legislative Council. See, G.O. Rothney, "The Denominational Basis of Representation in the Newfoundland Assembly, 1919-1962," *Canadian Journal of Economics and Political Science*, 28 (1962), 557-70.

⁸³ See "Historicus" in the *Evening Telegram*, 26 April 1921.

What's going to happen when the man comes out from the Bank of England on behalf of the bond-holders, what is he going to say to us. He will tell us what he told Australia: Cut your expenditures; cut your services. And we are going to take our medicine and pay for our sins. What is this Government leaving to posterity — a bankrupt country.⁸⁴

With the onset of the Depression conditions deteriorated quickly, and Newfoundland's difficult budget situation became disastrous. The country's main export industry collapsed and the total value of fish sent abroad fell from more than \$16 million in 1929 to \$7.3 million in 1936. Government revenues, derived mainly from customs duties, fell also as people curtailed their consumption. A revenue of \$11.6 million in 1929-30 declined to \$8 million in 1932-33. Budget deficits averaged \$4 million in the period 1930-33; interest on the national debt ate up 60 per cent of the annual revenue. At once, public relief expenditures leapt to more than \$1 million per year.

A public meeting to discuss the country's finances was organized in St. John's on 27 April 1931 by a committee headed by merchant Eric A. Bowring. This committee was part of a growing campaign by the merchants and middle classes of St. John's to undermine the Squires' government. The meeting proved to be a dress rehearsal for the April 1932 meeting, also organized by Bowring, that triggered the riot which led to the toppling of the Squires government.

With a projected budget deficit for 1931-32, the immediate aim of the April 1931 meeting was to "protest extravagance."⁸⁵ The resolution debated at the meeting was:

That this body of citizens, animated by a desire to help their country and deploring the unjustifiable waste of public money in recent years, and fearing a possible national crisis, are of the opinion that there should be expert financial investigation into the country's fiscal affairs and that a Royal Commission be appointed for that purpose.⁸⁶

Antagonism to Squires government policies was widespread at the crowded meeting. One man offered support for some kind of Commission as a step toward "cutting out the economic disease" and "wiping out the present system"; another argued for a "national party" to implement a retrenchment policy. The only voice of dissent was J.R. Smallwood's. He supported the idea that retrenchment was needed, but questioned the "good faith" of those making the proposal, repeating a position that he had already stated in the *Watchdog* Liberal newspaper.⁸⁷ Smallwood's words were drowned out by cries of "Put him out!" He was thrown out of the meeting. After Smallwood's departure resentment was expressed that "a

⁸⁴Government of Newfoundland, *Proceedings of the House of Assembly, 1931* (St. John's 1931), 76. The comments were made by J.C. Puddester, who became a minister in the Alderdice government and one of the three Newfoundland Commissioners in 1934.

⁸⁵*Daily News*, 27 April 1931.

⁸⁶*Evening Telegram*, 28 April 1931.

⁸⁷Smallwood, *I Chose Canada*, 182-3. Smallwood's account of this incident places it one year later in April, 1932.

Red had got up and attacked a reputable citizen...who had a stake in the country." The resolution before the meeting received unanimous support, but the Governor refused to establish a Commission.

With talk of "greed and hypocrisy" mounting, the *Evening Telegram* played a key role in orchestrating the attack on the government. Budgetary extravagance was linked to corruption and patronage, and this provided the backdrop against which calls for "honest and sane" government by idealistic, patriotic men who would be willing to "put country before self" were made.⁸⁸

Patriotism increasingly was being counterposed to party and class politics. The country had to be saved from destruction at the hands of unscrupulous politicians and "Reds." The call was out for "the people to sink all differences and...put their effort into the task of saving their homeland from the enemy."⁸⁹ And, according to the *Telegram*, the meeting of 27 April showed that "the people" were "fully prepared to drive out the enemy within", just as during the war they had repelled the enemy without.

The *Telegram*, in particular, promoted the idea that democracy was no longer workable. Democracy always carried with it "possible dangers," but now it threatened to become "as tyrannical...as...absolute monarchy."⁹⁰ "Observer" agreed that democracy had become a new form of tyranny, with the mass of voters electing the government "over the protests of the more intelligent members of the community."⁹¹ Politics was no place for "idealists or patriots." It had been taken over by "professional politicians".⁹²

Many were already arguing for a National or Commission government to replace the Liberal government.⁹³ On the morning of the meeting, the *Telegram* gave prominence to a letter which called for:

A monster petition praying, requesting or demanding if necessary that Parliament be dissolved and to provide for the appointment of a Commission of Experts in finance, economics, law, etc., to govern the country for a period of say 10 years.⁹⁴

An "association" would take upon itself the task of selling this proposal to the people of Newfoundland by means of a "non-political" paper, radio talks, and travelling representatives. More and more there was talk of mobilizing "public opinion."

The *Daily News* expressed doubts about proposals for a Royal Commission.⁹⁵ The real need was to cut expenditures and balance the budget and the real difficulty

⁸⁸ *Evening Telegram*, 27 April 1931.

⁸⁹ *Evening Telegram*, 29 April 1931.

⁹⁰ *Evening Telegram*, 27 March 1931.

⁹¹ *Evening Telegram*, 30 March 1931.

⁹² *Evening Telegram*, 28 April 1931.

⁹³ *Evening Telegram*, 24 April 1931.

⁹⁴ *Evening Telegram*, 27 April 1931.

⁹⁵ *Daily News*, 28 April 1931.

would be "to secure a representative Government sufficiently patriotic and independent to apply that remedy fairly and justly." If this failed, only "the alternative of forfeiting our independence, at least for a period" would remain.

Without doubt the events of April 1931 were important. Public opposition strengthened the position of those within the Squires' government, led by William Coaker, who supported retrenchment. But it was the deepening financial crisis which made retrenchment urgent and led the government to arrange for advisers from Britain to take charge of the country's financial affairs.

The Politics of Austerity.

FROM SUMMER 1931, the political situation became serious as the unemployed organized in many parts of the country to try and force work and relief out of the government. As in the early 1920s, the government of 'independent' Newfoundland felt unable to maintain law and order without the aid of the British Navy for policing purposes.

As the financial crisis deepened, the country's situation became precarious. In mid-1931 default was narrowly avoided by bank loans which were provided only on the most stringent terms. Thus, a process began in Newfoundland which is familiar today, that of financial institutions dictating policies to sovereign states. In Newfoundland, tariffs were to be revised and a strict program of retrenchment followed. The government also agreed to seek British government assistance in managing financial affairs. By the end of 1931 the Deputy Chairman of the Board of Inland Revenue in London was looking into Newfoundland's finances, assisted by a British Treasury Official. Montreal businessman R.J. Magor, was hired to reorganize government departments with a view to cutting expenditures. Late in 1931 further loans were required to keep the sinking country afloat. This provided the opportunity for the banks to extend their control. In future, all customs duties would have to be paid "day by day" into a special bank account which would be controlled by top Treasury officials, including Sir Percy Thompson.⁹⁶ A sum from this fund would be paid weekly to maintain public services "upon the minimum scale necessary for their continued functioning." The balance would go to pay the interest on the public debt.

Fiscal crisis and impending bankruptcy were the rationale for rolling back reforms and imposing austerity measures. As Lichten argues, "austerity is a class policy — it is not politically, economically, or socially neutral."⁹⁷ To examine this policy reveals clearly the class relations involved in state action. In 1931 the basis of self-government in Newfoundland was already seriously undermined. The formal mechanisms of government were gradually removed from popular influence

⁹⁶Noel, *Politics*, 195.

⁹⁷E. Lichten, *Class, Power and Austerity* (Massachusetts 1986), 15. For a more detailed account of this see, J. Overton, "Public Relief and Social Unrest in Newfoundland in the 1930s: An Evaluation of the Ideas of Piven and Cloward," in G. Kealey, ed., *Class, Gender and Region: Essays in Canadian Historical Sociology* (St. John's 1988), 153-66.

through normal democratic channels as finance capital began to take control of the country's purse strings. Floundering politicians accepted an offer they could not refuse. Through such control the banks and the financial advisors were able to redirect the country's political, economic and social policy. The failure of opposition to materialize reveals a great deal about the weakness of progressive forces in Newfoundland in the early 1930s. And in this regard it is significant that it was the party that claimed to represent the interests of "the masses" against those of "the classes" which launched the austerity programme, and that it was Coaker who had emerged as *the* champion of retrenchment within the Liberal government.⁹⁸

Retrenchment involved a full-scale attack on the Liberal agenda and on "the masses," with cuts in spending being most severe in areas of least resistance. Systematically, Newfoundland's limited state-welfare measures were dismantled. The cuts were intensified when the Conservative United Newfoundland Party came to power in mid-1932. Retrenchment was one side of the coin, the other was tax increases. Basic food items and inputs for the fishing industry were taxed, and these changes in customs duties raised the cost of living by an estimated 30 per cent. Other taxes were increased as well, but over all the changes were most regressive.

The retrenchment programme was far-reaching. Almost one-third of the Civil Service was laid off; the rest suffered salary reductions. Budgets for health and education were cut dramatically, including the paltry sum which was allowed for medical aid for paupers. The postal service was partially dismantled as 300 post offices were closed. All this happened at the same time workers in industry, commerce, state employment and fishing suffered from declining incomes and unemployment. Such legislation as did exist to protect workers' interests was often not enforced, including minimum wage laws which had been passed in 1931 to protect forest industry workers.

Two government departments increased spending. The Justice budget was increased to pay for the cost of policing the country, and in particular the doubling in size of the police force in 1932. The increased cost of public relief accounted for the rise in the Public Health and Welfare budget, a rise which occurred despite concerted efforts to cut spending in this area.

As the whirlwind of depression struck Newfoundland, the numbers of people on public relief rose dramatically. By 1931 concern about "extravagant expenditure" to support the able-bodied poor was being expressed by those anxious about the country's financial situation. Such spending, it was argued, also imposed an undue burden on both the working and middle classes. Relief spending was well over \$1 million in 1931-32 and continuing to rise (to about 16 per cent of state revenue) in an unplanned and uncontrolled fashion despite attempts to discourage people from applying for the dole. The Charities Department was soon "seriously in arrears" with the payment of bills for relief supplies issued by merchants. Fears of mass pauperization began to grip the middle classes. For many, some means of

⁹⁸For example, he criticized Squires for not following his suggestion to cut \$1.5 million from annual expenditures. See *Fishermen's Advocate*, 4 August 1931.

controlling relief spending had become imperative. The need to ration spending was reinforced in December 1931 when, as a condition for further loans to the country, the banks undertook to extend their control over Newfoundland's financial affairs. From January 1932, all spending would be strictly rationed. In November 1931, R.J. Magor began to implement a plan to reorganize the dole.⁹⁹ His efforts in this regard fitted well with those of Sir Percy Thompson to introduce a system of treasury control in Newfoundland.

It was hoped that Magor's reorganization of relief would eliminate all *ad hoc*, unplanned and unauthorized spending. Relief would be administered by "Keymen" in various locations. This was an attempt to take the politics out of relief provision, and thus remedy what was widely held to be a principal cause of escalating relief costs. Magor's scheme provided a standard relief ration which cost about \$1.80 per month to each adult who qualified for assistance outside St. John's. As the Magor ration was imposed on rural Newfoundland, people began to resist. Protests began to reach the government and some raids on merchant's stores occurred. In other cases, such raids were narrowly avoided by the issue of rations. Early in 1932 an attempt was made to introduce "the ration" in St. John's, where previously those on relief in the capital city had enjoyed better rations than the outports. The St. John's unemployed were already organized, and fiercely opposed Magor's scheme. Petitions, marches, and one violent confrontation convinced the government to abandon its plans for St. John's.

The triumph of the St. John's unemployed against the "Magor ration" stimulated opposition in other parts of Newfoundland. In some areas, limited successes were achieved. Finding itself unable to follow its plans to cut relief spending substantially, the government directed its cost-cutting efforts elsewhere. But again it met fierce opposition in key areas, as when the Great War Veterans' Association managed to limit proposed pension cuts.

Through February and March 1932, opposition to the Squires government grew steadily, fuelled by charges of corruption in high places. Newfoundland political parties of this period were fragile coalitions, always in danger of falling apart under pressure. By March 1932 members of the Squires government were thinking about abandoning ship. H.M. Mosdell, a Minister Without Portfolio, openly criticized the March budget as "grinding the faces of the poor."¹⁰⁰ He talked of betrayal and warned of the people's wrath. In late March, he resigned from the government along with two other members. By this time the unemployed were again on the move, taking advantage of the delicate political situation to press for increases in the dole ration.

Meanwhile, a decision had been reached to confront the Squires

⁹⁹For Magor's scheme see, *Evening Telegram*, 14 November 1931; *Evening Telegram*, 19 November 1931. Magor's advice on "cost control" was also provided to the government of Alberta in the 1930s. See A. Finkel, *The Social Credit Phenomenon in Alberta* (Toronto 1989), 41. Thanks to Peter Neary for this reference.

¹⁰⁰*Evening Telegram*, 16 March 1932.

administration's alleged wrongdoing. The day before the opening of the House of Assembly on 5 April a meeting was organized in St. John's by the merchant elite, including Eric Bowring and W.S.Monroe. The following day a "monster parade," headed by the Guards band and including "prominent business men, doctors, legal men and a large number of women" as well as "ex-service men, naval reservists and members of the Merchant Marine," marched to present a petition to the government.¹⁰¹



Boys carrying away oil stove during riot at Colonial Building, April 1932. (Provincial Archives of Newfoundland and Labrador.)

The parade turned into a riot. The police proved incapable of handling the situation and armed volunteers of the Great War Veterans' Association were called upon to maintain order. Significantly, leaders of F.C. Alderdice's opposition party mobilized the military, using Harold Mitchell, a prominent war veteran and soon-to-be a Minister in Alderdice's United Newfoundland Party government.¹⁰² Richard Squires barely escaped serious injury in the riot. The situation in St. John's remained tense for several days, and the British cruiser HMS *Dragon* was called upon to show the flag.

¹⁰¹*Evening Telegram*, 5 April 1932.

¹⁰²*Evening Telegram*, 15 May 1981.



Colonial Building Riot. Circa 1932. (Holloway Studio.)

The violence of early April had serious repercussions. Immediately, the Government decided to expand the police force in order to strengthen its ability to maintain law and order. An auxiliary police force was also raised. But the incident also led to the government's demise. No longer able to control the situation, and with his support melting away, Squires had little choice but to call an election. The breakdown of law and order was further evidence that his government could govern no longer.

Following an election in June 1932, a government was formed by the United Newfoundland Party, a "formidable collection of merchants" led by Monroe's relative, F.C. Alderdice.¹⁰³ The Liberals could only hold two of the 27 seats. Alderdice had but one election pledge — to look into the "desirability and feasibility" of placing the country under a form of government by Commission.¹⁰⁴ Thus, the anti-democratic sentiment which had been smouldering burst into flame in the wake of the April riot.

Calls for an end to responsible government had been increasing since the middle of 1931. But as the financial crisis deepened, there were further demands to end party politics. The feeling was that democracy and the party system were obsolete: particularly that they hindered retrenchment, as well as swift and firm

¹⁰³Noel, *Politics*, 203.

¹⁰⁴*Evening Telegram*, 23 May 1932.

action to deal with the crisis. Some called for a national government, arguing that class warfare had to be eliminated and superseded by a politics devoted to national salvation. The obvious model here was the national governments which had been formed in many countries to face the difficulties of World War I. The establishment of a national government in Britain in 1931 also stimulated thinking along the same lines in Newfoundland. Others called for a "bloodless revolution" to be brought about by business men and for a body of honest men to dedicate themselves to saving the country from ruin. Still others sighed "Oh, for a Mussolini," for a dictator who would act, rather than fiddle while the country burned.¹⁰⁵

One month after the April riot, William Coaker had resigned from the Government. At that time he expressed his opinion that a change of government would not solve Newfoundland's problems. It was, he argued, "absolutely necessary" that "a National Administration composed of the best possible material" be formed in order to save the country.¹⁰⁶ Immediately before the June election, the *Fishermen's Advocate* restated its "long recommended" position and endorsed Coaker's call for government by commission.¹⁰⁷ Coaker and the *Advocate* argued that the struggle between the "ins" and the "outs" was the main obstacle to effective retrenchment and to lowering the costs of government. They did not question that deep cuts in state spending were necessary and desirable. In this, the FPU reaffirmed its long-held policy of supporting drastic cuts in both the wages and numbers of civil servants. Nor did they exclude public relief from cuts, even though it was acknowledged that it was the government's "duty" to ensure that "the hungry must be fed."¹⁰⁸ Coaker justified his position by arguing that "at present there is too much party politics connected with the securing of relief."¹⁰⁹ In the meantime, the *Advocate* urged its readers to vote for the "best men" whether Tory or Liberal. In effect, Coaker and the *Advocate* had sided with the Conservatives.

Coaker continued to voice his support for a strong, non-democratic government:

Newfoundland cannot come into her own under Party Government. We have too few suitable men for the Parliamentary conduct of public business in this country. What is required for Newfoundland and what is most essential for present conditions is a Mussolini. If a man with a soul encased in steel, experienced and not under forty years old, appeared on the political horizon in this country today as a Mussolini I would support him with all my strength.¹¹⁰

Many people thought like Coaker. At least one Liberal candidate, J.R. Smallwood, running in his first election, argued for an end to politics:

¹⁰⁵*Evening Telegram*, 2 April 1932; 27 July 1932.

¹⁰⁶*Fishermen's Advocate*, 6 May 1932.

¹⁰⁷*Fishermen's Advocate*, 3 June 1932.

¹⁰⁸*Fishermen's Advocate*, 19 October 1932.

¹⁰⁹*Fishermen's Advocate*, 5 October 1932.

¹¹⁰*Fishermen's Advocate*, 21 September 1932.

I told the people bluntly that I could see no hope whatever for Newfoundland unless very drastic changes were made...“Close down the House of Assembly,” I cried. “Bolt and bar the doors and windows of the Colonial Building. Do away with the Government — not just the Government we have now, but any government. Send a petition to the King asking him to appoint a Commission to run the country for the next ten or fifteen years”...Then I developed the theme. “It’s time to have a long political holiday. Party politics has become meaningless except to ruin us — just a continual squabble between Ins and the Outs. Both parties have gone intellectually bankrupt”...And then I drove home my meaning. “Are there any men here, or women, in this hall who really believe that it’ll make any real difference to them which side win in the coming election? If you do, you probably believe in Santa Claus, too. Don’t waste shoe leather. If you live next door to a polling booth, at least you won’t wear out any shoe leather going in to vote. If you live a hundred feet or more, don’t waste that much precious shoe leather!”...And then I went out on a limb. “Mark my words, whoever wins in this election, they won’t be there very long. It might be six months, or a year, or a year and a half — but I guarantee you here and now that inside of two years the House of Assembly will be closed down, the Government will be turned out, and Newfoundland will be under a Royal Commission appointed by the King. I guarantee you this.”¹¹¹

Others were no less vigorous but more partisan in their denunciation of party politics. In the poem, “A Vision of the Future,” it was the Liberal “wasters” who had “rung the nation’s knell.”¹¹² But, more than this, the poem mobilized anti-communist sentiment and tarred the Liberal government in Newfoundland with the Bolshevik brush much as critics had done to the Labour Party in Britain in 1931. Were people going to allow Newfoundland to become a “Terra Nova Soviet” led by “Sir Richard Lenin Squireskoff?” In this version of events it was the Liberals who, in the recent past, had drawn the masses into politics and created the demands upon the state which had led to financial collapse. The Squires party, like the Britain’s Labour Party, had become the party of the dole. It had encouraged parasitism, undermined the traditional independence of the Newfoundlander, and unduly burdened the middle classes. The people even had come to regard support for the unemployed as a right, and dependence on the state as acceptable. “Moral regeneration” was needed.¹¹³ New standards would have to replace old, budgets would have to be balanced, the country’s garment would have to be cut according to the cloth; selfishness would have to be banished, and cooperation and unity would have to take precedence over class division and competition. In short, it was agreed that “the people” should be encouraged to make sacrifices, exert self-control and “see it through” without resorting to protest (let alone violence). Re-education was needed to break dependency and bad habits and encourage self-help. To this end, the police force would make citizens aware of their duties and investigate relief, the Courts would punish those caught cheating on public relief, and many of the well-to-do of St. John’s and elsewhere would organize a back-to-the-land movement and the development of urban garden allotments.

In trying to understand the movement to support replacing democratic government by some form of non-democratic state, it is important to focus on the way particular social groups experienced the crisis. The violent outbursts of 1932

¹¹¹Smallwood, *I Chose Canada*, 187.

¹¹²*Evening Telegram*, 18 March 1932.

¹¹³See, for example, *Evening Telegram*, 8 and 28 October 1932.

played a key role in persuading many people that drastic action was needed to deal with a volatile and dangerous situation. Images of order and stability gained their power from experiences of chaos and instability. The violent confrontation of February, the riots of early April and July in St. John's, the numerous break-ins at merchant's stores and other violent confrontations in Conception Bay in September and October 1932, all played a part in rearranging the social kaleidoscope. Unsurprisingly, the rioting and looting had made many merchants very uneasy. The events of early April had a profound effect on William Coaker. He felt that if the "mobbers" had gained access to Richard Squires in the House of Assembly then he would have been killed. And once the crowd had "tasted blood... restraint would have disappeared" and most of the members supporting the government would also have been killed.¹¹⁴

J.R. Smallwood, in a belatedly-published document written in the late 1930s, described Newfoundland's contemporary mood in these words:

It has often seemed to me that the emotional state of the Newfoundland people, in relation to politics, was startlingly similar to those of the German people during the two or three years ending with the rise of Hitler to power.¹¹⁵

The "swing of the pendulum of public emotion" had given rise to "a great revulsion against politics." The fishermen felt themselves to be "the victims of great injustice at the hands of the merchants and exporters," but there seemed to be no way to remedy this under the existing political system.

Central to anti-democratic thought was the idea that party politics prevented retrenchment. In this context, the dole issue was crucial. To cut relief spending, some way of lessening pressure from below had to be devised. The police force had been substantially expanded and this allowed the government to take a stronger stand against those demanding relief, but the hold on law and order was a slender one as the violent outbreaks of mid and late 1932 revealed. The state was not in a position absolutely to refuse demands and to deal ruthlessly with opposition. Yet, the pressure to cut spending intensified in 1932. The United Newfoundland Party was able to make savings in some areas, but its attempts to cut relief ran into violent opposition. In late September, Alderdice expressed concerns about "absolute revolt" if further cuts were made.¹¹⁶ Arguments about "insurrection" and "mob rule" were also used to persuade the banks to make further loans to Newfoundland in late 1932,¹¹⁷ but the loans were only made on the condition that a commission of enquiry into the country's future be held. That something drastic had to be done was clear to many people, including Sir Percy Thompson, who thought that no

¹¹⁴*Fishermen's Advocate*, 31 August 1932.

¹¹⁵J.R. Smallwood, "This Government (Commission) was a Great Failure," in J.R. Smallwood, *Newfoundland Miscellany* (St. John's 1978), 110.

¹¹⁶Noel, *Politics*, 206.

¹¹⁷Neary, "That thin red cord," 46.

government could continue to govern successfully in Newfoundland.¹¹⁸ Elected government was, he argued, too close to the people and too subject to popular pressure to make the kinds of decisions needed to keep the ship of state afloat.

Throughout the winter of 1932-33 and until the advent of government by commission in February 1934, the Alderdice regime maintained a policy of restricting relief as far as possible. Careful consideration was even given to disenfranchising paupers in 1933. Although this was not actually done, other measures to discourage dependency were implemented.

In spring 1933, the Amulree Commission enquired into the condition of Newfoundland. The Commission's report was published in autumn that year and, as recommended, responsible government was suspended and commission government introduced in February 1934. The Commission under Lord Amulree held hearings in which they talked to politicians, businessmen, civil servants, newspaper editors, and a smattering of people from other walks of life. They even interviewed some trade union leaders. The record of these interviews provides valuable insights into how many people were reacting to the political and economic crisis. The general impression conveyed by many witnesses was that the country was demoralized and that a key factor in this was the dependence on the state which had been encouraged by governments that were squandering borrowed money.¹¹⁹ There was also agreement that such spoon-feeding must end. As one man put it, "we have no place for parasites at this particular time." The public relief system in particular came in for a great deal of criticism. People had become dependent and this had undermined their will to work. The Deputy Minister of Public Works and the influential merchant L.C. Outerbridge thought that removing the franchise from those on relief would help solve the dependency problem. Outerbridge, speaking for the larger merchants of St. John's, argued that paupers should be deprived of their vote for four years and that their names be publicized in post offices. In advocating the disenfranchisement of paupers, people like Outerbridge were attempting to revive a measure which had been employed in Newfoundland in the 19th century. In Britain, paupers were disqualified from voting until the end of World War I. The right of paupers to vote was seen as an obstacle to effective retrenchment, an obstacle which, if necessary, could be removed. But specific concerns with relief were part of a more general indictment of Newfoundland politics. There was ample testimony to support the Amulree Commission's statement that the voting population was "simple-minded,"¹²⁰ easily led by the promises of self-seeking politicians. In a selfish, unpatriotic way they gave their votes to the highest bidder. Politicians trying to outbid each other had led the population to dependency, and the country to financial disaster. If "politics" was *the* problem, then an end to "politics" was seen by the majority of people appearing before

¹¹⁸Noel, *Politics*, 206.

¹¹⁹A transcript of the hearings is available in the C.A. Magrath Papers which are deposited in the National Archives of Canada (NAC), MG 30 E82.

¹²⁰*Newfoundland Royal Commission*, 219.

Amulree as *the* solution. Most who appeared before the Commission were asked about the form of government they thought best for the country. The options presented were a continuance of the present system of government, confederation with Canada, or commission government. Ten witnesses favoured the first option, 10 the second, but 45 supported Commission of Government.¹²¹

We cannot be sure about what the labour leaders who appeared before the Amulree Commission thought about the question of Newfoundland's political future. For the most part, they were not asked the same questions as other witnesses. This suggests Amulree did not think that such people would have anything of significance to say on this important subject. The union leaders did discuss a number of important issues including wages, working conditions, and the dole. They also made some comments about the government of the country, most often in response to questions about Newfoundland's debt problem and taxation. Answers to these questions must be interpreted with caution. Nevertheless, it is probably fair to say that the opinions of the representatives of the labouring classes appearing before Amulree did not differ significantly from those of other witnesses. Questions about debt and taxation led one unionist to describe the present system of government as "a wash-out."¹²² Others agreed, and politicians came in for some harsh words. One worker from the Corner Brook mill did not object to responsible government if the right kind of men represented the country. A union leader from Grand Falls, however, called for a Commission of "ten honest men" to deal with the crisis.¹²³ Michael Coady of the Longshoremen's Protective Union had no views on the question of how to get Newfoundland out of her difficulties, but James Power of the Coopers' Union did respond to a question about confederation:

I do not think it is a very live question. I believe the people will take anything now. That is my own opinion, anything at all for a change, they do not care.¹²⁴

But Power did not think that the question of confederation, or the country's future generally, should be "left to ordinary people":

They think that somebody is going to come in and fix them up all right...They think that England or Canada or some fairy godmother or something of that kind will come in, they do not really think seriously. The majority of people here do not think. That is the reason why there should be a body of intelligent men to say what is best for the country and let it go at that.

Many of these themes found their way into the Amulree Report when it was published in late 1933. It is fair to suggest that the Commission both reflected and

¹²¹P. Fenwick, "Witnesses to the Lord," unpublished paper, 1984, CNS, Memorial University of Newfoundland.

¹²²Magrath Papers, NAC, Newfoundland Royal Commission, Hearings, Grand Falls, 22 April 1933, G.B. Cater, President, International Brotherhood of Paper-makers.

¹²³NAC, Commission Hearings, W. Wall, Amalgamated Trades Union.

¹²⁴NAC, Commission Hearings, St. John's, 2 June 1933, James Power, Coopers' Union; 6 June 1933, M. Coady, Longshoremen's Union.

helped shape a consensus about the causes of Newfoundland's problems, and the most appropriate solution to those problems.

The Amulree Commission discovered a great deal of support for some form of government by Commission. Many of those who favoured confederation with Canada also supported Commission of Government as their second choice. In an internal document produced during the Amulree Commission's hearings, Richard Clutterbuck, the Commission's secretary, discussed the various positions taken by witnesses. Clutterbuck argued that the opponents of commission government were mainly politicians, presumably Liberals, motivated by self-interest. The position of those who actively campaigned for an end to democracy as the only way of saving the country he summed up thus:

The advocates of Commission Government have been in the main been actuated by the genuine belief that in no other way will it be possible to satisfy the essential needs of the country, namely, to stamp out greed and corruption, get rid of the professional politician, and lead the people back to a sense of independence and self-reliance. They are united in the idea that it is 25 years of "politics" that has led to the breakdown of responsible Government, and that, the crash having come, it would be suicidal to attempt to rebuild on the same foundation. It is only by firm control and a prolonged political holiday, they claim, that the country can be saved.¹²⁵

There were, however, differences of opinion as to what exactly government by commission would mean. Many conservatives, saw it as a way to end politics and limit pressure from below, while allowing those presently running the country to stay in effective control of affairs. Clutterbuck had this to say about the politicians and others who formed this "camp":

[They] are not all so disinterested as might appear, since it is not unfair to say that some at least see in the proposal an attractive and patriotic device for keeping their own party in power and completing the ruin of their political opponents. These might have different views if the Commission were to be composed of outsiders.¹²⁶

And it is worth noting here that the first three Newfoundland Commissioners were F.C. Alderdice and two of his former ministers, W.R. Howley and J.C. Puddester.

Clutterbuck made it clear that the creation of Government by Commission need "not necessarily impair the status of the Island as a Dominion." It might involve the appointment of a Commission by the Newfoundland government with the power to take charge of all Government departments and all public business. Even if the constitution was suspended, executive power might be vested in the Governor assisted by an Executive Council nominated by him. This might be composed of Newfoundlanders or others, and it might or might not involve the creation of an Advisory Council of prominent men.¹²⁷

¹²⁵NAC, Commission Hearings, Miscellaneous Notes, Mr. Clutterbuck, "Notes on Commission Government," September 1933, 1.

¹²⁶NAC, Commission Hearings, 2.

¹²⁷NAC, Commission Hearings, 7-8.

It is not difficult to see why the Alderdice government and its supporters advocated some form of Government by Commission. The country could not continue to operate without financial support from Britain, and the next payment on the debt was just around the corner. Efforts to cut expenditures had already proved extremely difficult; any further efforts in this direction would undoubtedly have led to political disaster. Discontent was already widespread and there had been serious rioting. Political prospects were distinctly poor, and a return to the hated Richard Squires in the not-too-distant future was a distinct possibility. As J.L. Paton, late of Memorial College in St. John's, put it in an article written in the last few months of the Alderdice regime:

The present government has had to take such drastic steps in cutting down expenses that it is inevitably already unpopular. Only a miracle could secure them a majority at the next election. The alternative is Sir Richard.¹²⁸

For many, then, Commission of Government was seen as a way of preventing the return of a Squires administration. The fear that Squires would be able to use dissatisfaction to mobilize opposition to the Government and regain power was real. It was even recognized that this might happen with some form of Government by Commission. Clutterbuck argued in 1933 that, with Squires excluded from a position of power, there was always "the danger of the country being stampeded" if conditions became difficult. If this happened "a garrison might even be needed." And if a strong movement "for a return to the status quo" developed, then, "in the face of popular sentiment, not even a garrison would be of any avail."¹²⁹

The Amulree Report recommended the establishment of Government by Commission, justifying this with a lengthy analysis of the country's problems which quite accurately reflected the thinking of most influential Newfoundlanders at the time. There was enthusiastic support for the Commission's recommendations. As Smallwood notes, "merchants, industrialists, lawyers and professional men" were "unanimous" in their support for Commission Government.¹³⁰ But, after the storm and stress of the previous few years, many others felt that the country had no other choice but to follow the course plotted by Amulree. Newfoundland's people had, according to Smallwood, been made "rotten-ripe" for Amulree by suffering and "exhausted political ambition."¹³¹ The Report was "psychologically perfect":

Confirmation of the people's own worst suspicions of their Governments sent a wave of hatred over the city and later over the country. Parliamentary Government was spurned. The Newfoundland people at that point were uncomfortably akin to the German university students who chant: "We spit on democracy!"

¹²⁸J.L. Paton, "Newfoundland: Its Plight and its Pill," *Contemporary Review*, (January 1934), 63.

¹²⁹Magrath Papers, Clutterbuck, "Notes," 11.

¹³⁰Smallwood, "This Government," 95.

¹³¹Smallwood, "This Government", 110.

A few "crocodile Tears" were shed, but individual after individual and group after group endorsed the Amulree Commission's recommendations, including the country's religious leaders and Board of Trade. In fact, in the period between the publishing of the Amulree report and the decisions to adopt its recommendations in the House of Assembly and the Legislative Council, a movement was launched to mobilize popular sentiment in favour of Commission of Government. The *Evening Telegram* played an important role in coordinating this effort. But groups like the GWVA were also active and all twelve branches of this organization quickly endorsed the Amulree report.¹³²

The mobilization of pro-Commission of Government sentiment made it relatively easy for the Alderdice government to endorse Amulree's proposal for Government by Commission in the House of Assembly without fulfilling its election promise to consult the voters of Newfoundland. It also provided support to those like W.S. Monroe in the Legislative Council who argued against a referendum.¹³³

In fact, there was little opposition to the proposed Commission of Government. Even the Leader of the Opposition in the House of Assembly, F.G. Bradley, agreed that "control must come." What he objected to was the fact that it was being brought about without the population having a say in the decision, and that under the proposals of the Amulree Commission there would be no means left for Newfoundlanders to express their voice. This position was taken by several critics of commission government. William Coaker objected to the fact that the Alderdice government had not consulted the people before agreeing to the suspension of responsible government. But he was also unhappy about the form which the Commission was to take. He clearly did not object to the end of democracy in Newfoundland, but he did object to direct rule from Westminster and the fact that under the Amulree Commission proposals, Newfoundland would be "put on a par with one of the subject races".¹³⁴

Democracy had its defenders. H.M. Mosdell, an Squires government ex-minister, argued against "a dictatorship, either of a single person or by a commission."¹³⁵ "Unfaithful and unjust stewards" might have failed Newfoundlanders and brought politics into disrepute, but this did not mean that democracy should be "stigmatized" and abandoned. During a period of hardship, only a democracy would protect the people's welfare, giving this first priority over the interests of "capitalist caesars." Honouring Newfoundland's debt had chained Newfoundlanders to the "chariot wheels of the financial magnates" and negated the basic principle

¹³²*Evening Telegram*, 27 November 1933.

¹³³*Evening Telegram*, 28 November 1933.

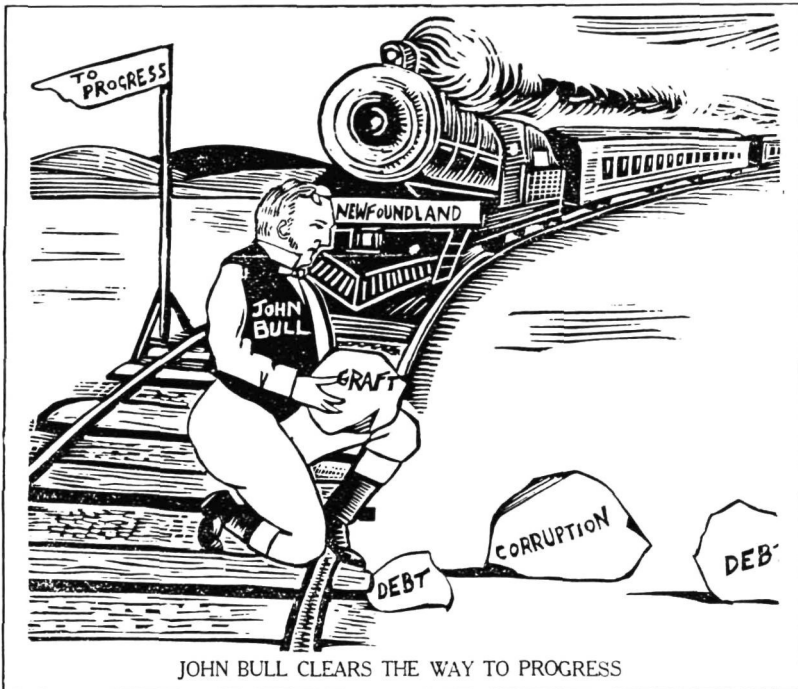
¹³⁴*Evening Telegram*, 23 November 1933. The unspoken clause in all discussions of democracy, even in the labour movement in the period, was "not counting niggers" according to G. Orwell, "Not Counting Niggers," in S. Orwell and A. Calder, eds., *The Collected Essays, Journalism and Letters of George Orwell, Volume 1* (Harmondsworth 1968), 434-8.

¹³⁵H.M. Mosdell, "A Forgotten People," *Fishermen's Advocate*, 5 October 1932, 2.

of democratic government, concern with the well-being and advancement of the country:

Foreign capital, with the consent of the representatives of the people, has fastened a stranglehold on our country, has inhibited everything that makes for its recovery and resumption of progress, is maintaining its grip and is throttling Newfoundland to death.

Mosdell argued for default. Others, including A.F.W. Plumptre, thought along similar lines.¹³⁶ Apparently, even Amulree Commissioner C.A. Magrath favoured default.¹³⁷



Front cover, *Observer's Weekly*, Vol. I, No. I, 20 January 1934.

Government by Commission.

MUCH OF WHAT HAPPENED in Newfoundland would not have surprised critics of democracy in the 19th century and later. Many of the anti-democratic arguments made in Newfoundland were well-established currents of thought by the early 1930s. The findings of the Amulree Commission would, for example, have confirmed the worst fears of John Stuart Mill about universal adult suffrage. Nor were

¹³⁶ A.F.W. Plumptre, "The Amulree Report (1933) A Review," *Canadian Journal of Economics and Political Science*, 3 (1937), 58-71.

¹³⁷ Neary, *Newfoundland*, 23.

the Newfoundland criticisms of "politics" and democracy in the 1920s and 1930s unique to that country. Fears about democracy were to be found in the arguments of some of the central political figures in Britain in the 1920s. As Deacon and Briggs note, the "spectre of pauper votes" haunted conservative political thinking after paupers were enfranchised in 1918, including the thinking of Stanley Baldwin and Neville Chamberlain, who was Britain's Chancellor of the Exchequer in 1932.¹³⁸ Chamberlain firmly supported the disenfranchisement of paupers. With the onset of the Great Depression, fear of democracy intensified.

Nigel Harris identifies two divisions in conservative diagnoses of the crisis of the early 1930s. For some, the crisis was caused by bad leadership ("corrupted by democracy in some accounts") or the failure of individualism.¹³⁹ The antidote to this lay:

In a stronger oligarchy of control, in a full critique of democracy, in more power to leadership, or a more powerful state or Monarchy to offset the Commons. At the extreme, measures might have to be undertaken to purge or curb the propensity of the population to resist authority.

Other conservatives saw the crisis resulting from breakdown in "a particular form of economic organization." Their solutions involved designing a new economic order:

The new organization almost invariably assumed a powerful role for the State within society and the economy, and the corporate organization of industry under professional managers. Just as the state was seen as a neutral force, above the class conflict of society, so also managers were seen as a 'third force' between labour and capital.¹⁴⁰

The first group rejected collectivism and planning, and took what we might now call a neo-liberal, free market position. They argued for balanced budgets, strict financial management, and retrenchment. The second group pressed for state control of all investment, state subsidies for industry, deficit financing, social reforms and even nationalization. They were advocates of what has, in recent years, been described as "corporatism."

It seems likely that each of these positions proved influential at different times. Alan Booth has argued that, even though many people have identified a gradual growth of corporatism in the 20th century, there have been three periods (1919-22, 1930-33, and 1976-81) in which corporatist forms have been rejected, at least in Britain.¹⁴¹ Booth argues that "corporatism" is a technique of economic management which is developed during periods of "national economic difficulty," but when "international slumps" occur and there is high unemployment "anti-corpor-

¹³⁸ A. Deacon and E. Briggs, "Local Democracy and Control Policy: The Issue of Pauper Votes in the 1920s," *Policy and Politics*, 2 (1974), 347-64, esp. 351 and 364.

¹³⁹ N. Harris, *Competition and the Corporate Society* (London 1972), 55-6.

¹⁴⁰ Harris, *Competition*, 56.

¹⁴¹ A. Booth, "Corporation, Capitalism and Depression in Twentieth Century Britain," *The British Journal of Sociology*, 33 (1982), 200-23.

ratist policies of retrenchment, deflation, and government abdication of some of its economic responsibilities become highly attractive."¹⁴² The early 1930s saw anti-corporatist policies" adopted in Britain and Newfoundland, as well as growth in anti-democratic sentiment. In Britain, it was pressure for retrenchment — with unemployment benefits as the "main bogey" — which led to support for national coalition government and which gave weight to attacks on party politics and even parliamentary government.¹⁴³ Webber shows that indictments of democracy as "inefficient" and "corrupt" were standard on the Right in the period after 1929, and that calls to "cleanse" the system were intended to cut the link between class and political representation.¹⁴⁴ All this seems strikingly similar to what happened in Newfoundland. It is significant that essentially the same policies were followed in both countries whatever political party was in power. Obviously, state actors played only a limited part in determining broad policy.

In Britain, the anti-corporatist policies of the early 1930s were only slowly abandoned. Tight money policies continued throughout the Depression. Corporatist tendencies, however, did gain some standing, and in this connection the Conservative Harold Macmillan is a key figure.¹⁴⁵ What light does British experience shed on Newfoundland's crisis, the Amulree Commission's report, and Government by Commission? Clearly, the crisis produced what Booth calls "anti-corporatist policies." The machinery of the state was systematically dismantled and retrenchment undertaken. Hostility to party politics resulted, in part, from partyism being seen as an obstacle to effective cuts in spending. Nor was this feeling confined to those representing the interests of the merchants. It was shared by some who identified with and represented the labouring classes, including Coaker and Smallwood.

The Amulree Commission analysed Newfoundland's problems in a fashion characteristic of the time. If, in Newfoundland, civil servants have been at "the mercy of the politicians," then the key was to remove the politicians and free civil servants to act in a responsible fashion.¹⁴⁶ The solution to the country's ills was characteristic of a certain current of corporatist thinking, albeit adapted to local conditions and constrained by the British government's policies of limited financial aid for development projects. What Amulree proposed for Newfoundland is not essentially different from the proposals he supported for Britain as a representative of what has been called "Middle Opinion" in the 1930s.¹⁴⁷ In 1935, for example, he was one of the signatories of *The Next Five Years*, an important document which

¹⁴²Booth, "Corporation," 200.

¹⁴³Booth, "Corporation," 213.

¹⁴⁴G.C. Webber, *The Ideology of the British Right, 1918-1939* (London 1986), 94-111.

¹⁴⁵A. Marwick, "Middle Opinion in the Thirties: Planning, Progress and Political 'Agreement'," *English Historical Review*, 79 (1968), 285-98.

¹⁴⁶*Newfoundland Royal Commission*, 67.

¹⁴⁷Marwick, "Middle Opinion"; K. Middlemas, *Politics in Industrial Society: The Experience of the British System Since 1911* (London 1979), 324-5.

was supported by such individuals as H.G. Wells, Seebohm Rowntree, Julian Huxley, and J.L. Hammond, as well as by trade unionists and such radical Tories as Harold Macmillan.¹⁴⁸ For Britain, this document attempted to plot a course between parliamentary rule and corporatism; it represented a compromise for those who recognized the limits of party politics, but who still supported democracy. The task was to rework the state machinery to fit it for the task of dealing with the economic crisis. In Fabian fashion, *The Next Five Years* called for an extension of state ownership, control, and management. A more-planned and centrally controlled society and a rationalized state apparatus in which a greater role for "experts" would provide the basis for positive action. The restructured state would be capable of the swift and effective action needed to deal with the economic crisis. The document's programme foreshadowed the welfare state of the 1940s and later. It explicitly gave a place to labour unions in the new arrangement. Given the conditions of the 1930s, it is also not surprising that such a proposal would attract political support from the Fabian left.

Amulree's report and Commission of Government may be viewed as providing a framework in which reform might be undertaken. And certainly the Government was a mildly reformist one. The Commission did make some important changes in health care, even if its planned changes in other areas — education, for example — were frustrated. This reform orientation has not been missed in recent writing on the Commission. Sinclair, for example, in a discussion of the fishing industry, notes the paradoxical situation that a non-elected government would serve the interests of "ordinary Newfoundlanders" better than elected governments.¹⁴⁹ The Commission also recognized that a strengthened labour movement might play a progressive role in Newfoundland. Such a movement, however, would have to be carefully monitored to make sure that its unionism was of a non-threatening kind. Certainly, individuals like Smallwood saw commission government as an opportunity. But the Commission's great weakness as a modernizing force was its isolation from and independence of a political constituency which could have provided strong support for its attempts at reform. Without such support it was in no position to challenge any of the basic power blocks in Newfoundland society. That the Commission of Government was a weak administration is made clear by its caution, and acute paranoia toward any forces which might oppose it.¹⁵⁰

The limitations of the Commission as a reforming government are nowhere clearer than in the area of public relief policy. Some minor improvements were made in this area, but throughout the 1930s the Commission administered a harsh relief system which provided totally inadequate support to the destitute. It is no

¹⁴⁸*The Next Five Years: An Essay in Political Agreement* (London 1935).

¹⁴⁹P. Sinclair, *State Intervention and the Newfoundland Fisheries: Essays on Fisheries Policy and Social Structure* (Aldershot 1987), 35.

¹⁵⁰J. Overton, "Riots, Raids and Relief, Police, Prisons and Parsimony: The Political Economy of Public order in Newfoundland in the 1930s," in E. Leyton, W. O'Grady and J. Overton, *Violence and Public Anxiety: A Canadian Case* (St. John's, forthcoming).

accident that it was the unemployed who emerged in 1934 as the first organized opposition to Commission of Government. And it was the unemployed movement which soon attracted the attention of some who had not supported Commission of Government, and J.R. Smallwood, who had quickly come to realize that the Commission would not introduce the reforms he sought. It was direct action by the unemployed of St. John's, marching behind a red flag, which led to the May 1935 riot and the arrest of the movement's leaders.

The analysis of Newfoundland's problems presented by the Amulree Commission is also consistent with contemporary British thinking about the conditions required for democratic self-government in colonies in the period. As late as 1950, the Colonial Office outlined the conditions for effective self-government in colonies.¹⁵¹ These included self-sufficiency and the ability to administer national affairs in an honest and efficient manner. This, it was noted, might involve a willingness on the part of the government to make unpopular decisions and accept odium for these decisions. Effective democracy required honest and independent leaders, and the citizenry as a whole had to be educated for political life. If not, they might sell their votes for personal gain and ignore the national interest.

In Newfoundland, mismanagement and corruption, as well as party politics and the patronage system, had brought the country to the brink of disaster. A rude and uneducated population had become a source of open-ended demands on the state. Voters and politicians acted out of self-interest rather than for the good of the nation. Unwise and reckless spending had led to the country ceasing to be self-sufficient. The "prodigal Dominion" had failed the test of self-government, but the "Mother Country" had come to the rescue, willing to "kill as fat a calf as it could afford."¹⁵² The Amulree Commission proposals might be "without a precedent," but J.L. Paton described them as:

Not inconsistent with the British practice. In several boroughs where the administration of the Poor Law has become reckless and wasteful the Central authority has had to supersede the elected guardians and install special Commissioners. And after all, Newfoundland's population, just over the quarter million, is no larger than that of a borough of the second magnitude.¹⁵³

The economic blizzard of the early 1930s had hit Newfoundland hard, the economic structure of the country's main industry was primitive, but in the final analysis the responsibility for failing to deal with these problems lay with the government and the people of the country. If the Depression could be seen as a test of democracy, then Newfoundland had failed the test. And the medicine for the sick society was to be a rest from responsibility. Direct rule from Westminster would provide stable and efficient government while the changes needed to restore

¹⁵¹ *Problems of Parliamentary Government in Colonies* (London 1953), 20-1; J.S. Mill, "On Liberty," in *The Utilitarians* (New York 1973). For some recent comments on this see, G. Kitching, *Rethinking Socialism* (London 1983), 48-63.

¹⁵² "A Prodigal Dominion", *The Economist*, 25 November 1933, 1004-5.

¹⁵³ Paton, "Newfoundland: Its Plight and its Pill," 63.

self-sufficiency and responsible government were made. If self-rule in a colonial context was conditional, Newfoundland had not met the conditions. A bankrupt and pauperized country would be sent back to "Go" in the Snakes and Ladders game of political development. For many, this loss of status was a cruel blow. However, exceptional times called for exceptional measures. Newfoundland's democratic political shell had cracked, and what Thomas Lodge called a "bizarre experiment in dictatorship" was inaugurated. Lacking power to implement measures to solve the country's financial problems, the national ruling class handed the reins of power to their British counterparts. Many hoped that this new form of government would quickly fulfill its task of bringing immediate and temporary relief to people, and find ways to strengthen the economic and social fabric so that a return to responsible government would be possible. Individuals like J.R. Smallwood also hoped that the new government would introduce reforms to improve the life of the labouring classes. It is an indication of how little was done in this regard that Smallwood very quickly abandoned his support for the Commission.

Conclusion.

THE EXPERIENCE OF NEWFOUNDLAND in the 1930s is of considerable significance. The nature of the crisis reveals some of the lines of weakness, and the stresses and strains, of parliamentary democracy. The economic crisis of the early 1930s precipitated "a general crisis of the state" of the kind discussed by Gramsci.¹⁵⁴ There was a crisis of popular politics in which the labouring classes lost faith in the party toward which many of them looked for representation. In conditions of acute crisis, reformism and the Liberal Party failed the labouring classes. Widespread disillusionment with "politics" and democracy resulted. Even though demoralized, divided, and to a great extent leaderless, these classes were able to resist to a degree the efforts of politicians to cut state spending, particularly on relief. This they did through direct action in the form of marches, protests, raids on merchants' stores, threats of violence, and violence itself.

But there was also a crisis of elite politics in the early 1930s as the control of the dominant classes was undermined and challenged. They proved incapable of imposing by force the policies which would have saved the country from financial disaster.

The Newfoundland situation can best be "characterised by an equilibrium of forces heading towards catastrophe," the kind of situation in which, Gramsci suggests, various forms of Caesarism emerge.¹⁵⁵ In this delicate and dangerous situation, calls for an end to politics and for Caesarist solutions to the political crisis proliferated. Caesarism, Gramsci argues, is a "polemical-ideological formula."¹⁵⁶ It does not always involve the entrusting of a situation to a "great personality." A

¹⁵⁴A. Gramsci, *Selections From The Prison Notebooks of Antonio Gramsci* (New York 1971), 210.

¹⁵⁵Gramsci, *Selections*, 219.

¹⁵⁶Gramsci, *Selections*, 220.

Caesarist solution can exist without a Caesar, and it can be progressive or reactionary. Every coalition government is the first stage of Caesarism, and Gramsci points to the National Government formed in Britain in 1931, where Ramsay MacDonald of the Labour Party presided over a Conservative majority, as Caesarist in character.

This paper shows how, in conditions of acute national financial crisis, a movement attacking democratic institutions and practices developed in Newfoundland. Looking back from the 1980s on much of what was said in the 1920s and 1930s about the unworkability of democracy some of the arguments have a very familiar ring.¹⁵⁷ They often repeat almost exactly arguments now in use by many conservatives, particularly those who talk about the crisis of democracy. Given this, perhaps an appreciation of how, in crisis conditions, anti-democratic arguments were taken up and moulded into a powerful political force, is of more than historical interest.

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¹⁵⁷Recent expressions of anti-democratic sentiments in Newfoundland include, F.L. Jackson, *Newfoundland in Canada: A People in Search of a Polity* (St. John's 1984), 42-3 and newspaper columnist Bob Nutbeam, *Evening Telegram*, 7 March 1987.