

Regional Politics are Class Politics: A Newfoundland and Labrador Perspective on Regions

THE YEAR 2004 SEEMED LIKE a triumph for the province of Newfoundland and Labrador. The Tory government of Danny Williams wrangled tremendous concessions from Ottawa on the Atlantic Accord that will provide the province with much more offshore-oil revenue. His success provoked the envy of the premier of Saskatchewan as well as the anger of the premier of Ontario, the latter of whom suggested that it was time Ontario received a new deal in Confederation. At home, Williams enjoyed tremendous popular support. We were the regional David standing against Goliath at the centre. We forgot the harsh budget of retrenchment introduced by the Williams government in the previous year. We put aside his government's vicious assault on public-sector workers – a battle that resulted in a legislated settlement, back-to-work legislation and the cowing of other unions about to negotiate with the government. And we ignored his government's acceptance of a Supreme Court ruling that pay equity was only necessary if the province felt it could afford it.

In reality, Newfoundland and Labrador's supposed "victory" against Ottawa is an example of how the politics of regionalism are the politics of class. Provincial governments use Ottawa-bashing to distract Newfoundlanders and Labradorians from struggles at home. More importantly, provincial wrangling with Ottawa is part of the Canadian legacy of welfare state intervention to cultivate popular consent for the structural inequalities of capitalism. Such wrangling mystifies the effects of such inequalities by making them appear to be the problems of Confederation rather than that of capitalism.

In 1949, there was more of a sense of class grievance in the popular support for Confederation. We can see this in the public persona that J.R. Smallwood constructed for himself during the campaigns of 1947-49. Herbert Pottle, one of the first of Smallwood's cabinet ministers to abandon him, wrote that Smallwood saw himself as the people's "Abraham" leading them into a "new Canaan", the Promised Land of Confederation, but with a common touch: he was the "prophet of the average 'Joe'".¹ Anyone who has grown up with the iconography of Smallwood – especially his immodest campaign photographs – may easily accept Pottle's view. Smallwood did not have the support of St. John's workers, who were tied by patronage to the anti-Confederation politics of St. John's business interests. Smallwood instead appealed to the fishing people and loggers who comprised the bulk of the outport population, leading them to believe that he would stand up against the merchants of Water Street.²

We can see something of the class expectations of an outport person in the writing

1 Herbert L. Pottle, *Newfoundland, Dawn without Light: Politics, Power and People in the Smallwood Era* (St. John's, 1979), p. 13. The author would like to thank Mark Leier, Department of History, Simon Fraser University, for his comments on this presentation.

2 Smallwood's ability to build on outport antipathy towards St. John's has been well-established by many authors. The dominance of merchant capital and household production in the outport fishery rested on chains of credit that bound a variety of small dealers and outport merchants to the dominant houses of St. John's. The paternalism of outport culture meant that fishing people often identified with

of Augustus Ricketts of White Bay, who had corresponded with Smallwood in 1952 hoping that the new premier would protect local people's common-property timber limits from the Bowater pulp and paper company. Ricketts made it clear that "when we vote[d] for confederation we expect[ed] to get our limit back again".³ The Smallwood government did nothing to help Ricketts, favouring the pulp-and-paper companies instead.⁴ Smallwood's sympathy for capitalists over common people became clear in his reaction to the International Woodworkers of America (IWA). In the late 1950s, the IWA began an enormously successful membership drive and enjoyed huge popular support; it was eventually defeated, however, in the wake of bitter, Red-baiting opposition from the Smallwood government during the IWA's famous strike in 1958-9.⁵ Even the federal Progressive Conservative government of John Diefenbaker condemned the Newfoundland government's harsh suppression of the loggers, but this was likely because of the antagonisms between the federal and provincial regimes rather than any serious disagreement about the rights of labour. Smallwood's attack on the IWA was simply a more coercive aspect of the emerging post-war consensus throughout Canada about industrial legality and the welfare state that we now refer to as the "post-war settlement". This consensus among state officials and employers promised, at least to the more privileged of male workers, that their right to bargain collectively through unions would be recognized and that wages and benefits, through some combination of employment compensation and social assistance from the state, would support the ability of their families to consume at unprecedented levels. The proponents of the post-war settlement hoped to promote economic growth by using consumerism to sustain mass production. As long as unions played along, and did not ask for too much, they had a place in the consensus.⁶

The Newfoundland government's intervention in the IWA strike revealed that part of the post-war settlement was for workers in peripheral regions to continue to provide as cheaply as possible the raw materials required for the mass production and mass consumption of global capitalism. The postwar settlement recognized that such

their local merchants against "St. John's". When a small outport merchant, therefore, wrote to the St. John's firm of F.M. O'Leary just after Confederation to gloat as he closed out his account because he planned to buy in future from Canadian suppliers, we can too easily regard complex class antagonisms as regional divide. See Jeff A. Webb, "The Responsible Government League and the Confederation campaigns of 1948", *Newfoundland Studies*, 5, 2 (1989), p. 218.

- 3 See Smallwood to Rowe, St. John's, 21 June 1952; Ricketts to Smallwood, Westport, White Bay, 11 April 1952; and Assistant Forester to Ricketts, St. John's, 14 July 1952, PANL, GN 31 / 2, box 61, file 194 / 2, I, folio 20, 21-2, 32.
- 4 Harold Horwood, *Joey: The Life and Political Times of Joey Smallwood* (Toronto, 1989), pp. 153, 173-4; Richard Gwyn, *Smallwood: The Unlikely Revolutionary* (1968; Toronto, 1972), pp. 131-3; "Drover, Samuel", *Encyclopedia of Newfoundland and Labrador, Volume One* (St. John's, 1967), p. 645; Frederick W. Rowe, *Into the Breach: Memoirs of a Newfoundland Senator* (Toronto, 1988), pp. 125-7.
- 5 Jerry Lembcke and William M. Tattam, *One Union in Wood: A Political History of the International Woodworkers of America* (New York, 1984), pp. 155-76.
- 6 J.D. Sutherland, "'We are only loggers': Loggers and the Struggle for Development in Newfoundland, 1929-1959", Ph.D. thesis, Simon Fraser University, 1995. For differing views of the meaning of the post-war settlement, see Laurel Sefton MacDowell, *Renegade Lawyer: the life of J.L. Cohen* (Toronto, 2001) and Peter S. McInnis, *Harnessing Labour Confrontation: Shaping the postwar settlement in Canada, 1943-1950* (Toronto, 2002).

workers and their families were not about to be consigned willingly to such extra-exploitation, but that it would be the duty of the state to find a way to satisfy their demands so that there would be no confrontation with the overall structure of capitalism. Smallwood's attempt at a consensus in Newfoundland was to bury the popular anger over the IWA strike in public indignation about Term 29 of the Terms of Union between Newfoundland and Canada. Term 29 committed the federal government to reviewing the financial state of the new province within eight years of its entry into Confederation. As early as 1953, Smallwood had begun to build a case for more generous financial terms from Ottawa and for himself as a regional champion against federal policies favouring Central Canada. In 1957, the federal government appointed the chief justice of New Brunswick, J.B. McNair, as chair of a royal commission to review Canada's financial commitment to Newfoundland as set out in Term 29. Smallwood was upset with the paltry \$8 million per year in perpetuity in increased subsidies recommended by the McNair Commission and even more so with Diefenbaker's initial refusal to pay even that amount. Between 1959 and 1961, the Newfoundland premier rallied the people of the province behind his successful fight to get the annual payments from the Diefenbaker government. Smallwood's prophetic vision of a better life for Newfoundlanders and Labradorians in Confederation rested increasingly on his ability to extort money from the federal government to fund a more affluent society in the province.⁷ Smallwood later unintentionally summed up the limited nature of his version of the politics of regionalism for Newfoundland when he stated:

84.
Eighty-four.
In all Newfoundland and Labrador.
84.
84 what?
84 schools with indoor toilets.
That was Newfoundland on the day that I became Premier.
Today: 838 schools have indoor toilets.
We have not, in those years, produced any new or original
education theory, philosophy or practice.
But we *have* put indoor toilets in 744 schools that didn't have them.
That's progress.⁸

Ray Blake argues that Newfoundland did not ask for economic development and that Canada had, therefore, promised none. Instead, Canada wanted to use social-welfare policies to raise Newfoundlanders up to Canadian standards: they would give

7 Margaret Conrad, "The 1950s: The Decade of Development", in E.R. Forbes and D.A. Muise, eds., *The Atlantic Provinces in Confederation* (Fredericton and Toronto, 1993), pp. 401-7.

8 Joseph R. Smallwood, *To You with Affection from Joey* (St. John's, 1969), p. 37. I would like to thank Morgan Pond, then a graduate student in the Masters of Employment Relations programme at Memorial University, for drawing my attention to this quotation as well as the quotations about Smallwood by Pottle cited above in a seminar on labour and working-class history during the winter of 2004.

us as many indoor toilets as anyone else.⁹ But we need to think about this carefully. First, provincial and federal officials did cooperate in major economic development initiatives. Outport resettlement was one, though it is best remembered as a later, failed phase of Smallwood's attempt to develop a more diversified urban and manufacturing base for the province. Second, provincial and federal fisheries policy moved in tandem towards modernization of the fishing industry. Provincial and federal policies encouraged the consolidation of capital in the fishing industry and the over-capacity which eventually led to the collapse of ground fisheries in 1992. While capitalists benefited from these federal and provincial initiatives, communities did not. Despite his Ottawa bashing, Smallwood depended on federal money because he had little else with which to buy the support of the people for a regime whose economic policies were miserable failures. The magic of Term 29 for Smallwood was that it provided a perfect recipe for handling future local failures: blame Canada and bury working people in the supposed privileges of mass consumerism. The problem for working Newfoundlanders was that each failure in federal *and* provincial development policy made them much more dependent on the public spectacle of such provincial extortion rackets. Under Smallwood, Confederation excused rather than challenged the inequalities of capitalism.

The Newfoundland government differed little from Ottawa: it used economic policies primarily to benefit private capital, and then used the welfare state to co-opt public support. The historically close relationship between the state and private enterprise in every provincial and federal capital always meant that Canada did not exist to level the extremely uneven field of capitalism. Gustavus Myers said it best in 1914 when he pointed out that Canada was little more than a coalition of financial and industrial interests. "Government is administered at all times", Myers pointed out, "either directly by the beneficiaries or by the representatives of those ruling forces, no matter by what political name they may be pleased to call themselves".¹⁰ Liberal historiographies, as Stanley Ryerson pointed out, have always required "a certain reticence about the class forces and class interests" that the Fathers of Confederation represented. No matter how they balanced their competing interests, a grand coalition of Montreal and Toronto commercial and industrial capitalists and their lawyers designed a state to serve their major concerns.¹¹

The burden of regionalism was not simply a central Canadian imposition on people throughout Atlantic Canada. Nova Scotian and New Brunswick industrialists naively hoped that Confederation would be a great national project of financing their metropolitan interests so that an Amherst or Saint John might be doing to the rest of the country what Toronto and Montreal did.¹² The narrow social basis of the later Maritime Rights movement in the 1920s suggests that many people throughout the "region" did not place much faith in regional business communities using greater economic and political influence within Canada to the benefit of anyone but

9 Raymond B. Blake, *Canadians at Last: Canada Integrates Newfoundland as a Province* (Toronto, 1994), p. 6.

10 Gustavus Myers, *A History of Canadian Wealth* (1914; Toronto, 1972), p. xxxiii.

11 Stanley B. Ryerson, *Unequal Union: Confederation and the Roots of Conflict in the Canada, 1815-1873* (Toronto, 1973), pp. 342-7.

12 R.T. Naylor, *Canada in the European Age, 1453-1919* (Vancouver, 1987), pp. 297-313.

themselves. If the extent of out-migration or the limited political achievements of the Maritime Rights movement are any indications, the judgement of many Maritimers in the 1920s appears to have been that there was little difference in exploitation and rule by Toronto and Montreal or by Halifax and Saint John.¹³

Later federal regional development programmes, notwithstanding the good intentions of individual officials, were a part of Canada's post-war settlement: buying regional acquiescence for the national structures of capitalist development. The problem with this trade-off is that the post-war settlement could not contain the exploitative force of the late-20th-century globalization of capitalism. After 1975, the fiscal retrenchment of neo-conservatism plunged Newfoundland and Labrador into a crisis worsened by the ecological catastrophe of the fisheries.¹⁴ Considerable discontent remains, but is often misdirected at the apparent source of all our misfortunes: a tight-fisted and regionally insensitive federal government. In embracing our political loyalties, we over-emphasize the divide between Tory neo-nationalists and Liberal federalists. Politicians from both provincial parties have appreciated the local political capital that accumulates from public, often vicious battles with Ottawa. Brian Peckford's noisy disagreements with Trudeau over the control of Newfoundland's offshore-oil resources had its antecedent in the Term 29 battle. Clyde Wells was not straying far from the field in his fights against the Meech Lake and Charlottetown constitutional proposals, which helped distract many people in Newfoundland and Labrador from his confrontation with provincial public-sector workers. While Wells became something of a Canadian hero for his staunch federalism, it is easy to overplay his differences from Peckford. Peckford's anti-Trudeau appeal in many parts of Canada was considerable as was Wells's popularity at home as an Ottawa-basher. More important, the governments led by both premiers waged extensive battles against organized labour, whether it was Peckford's attack on public-sector workers through Bill 59 in the mid-1980s or Wells's retrenchment assaults on such workers in the early 1990s.¹⁵

Ottawa-bashing has gained renewed respectability from proponents of Newfoundland neo-nationalism. Some cite the "remarkable" and "passionate" articulation of provincial grievance by some of Newfoundland's leading capitalists such as Craig Dobbin. Dobbin has suggested that Newfoundland would be much better off if it had more control over its own resources.¹⁶ But consider Dobbin's rhetoric against his actions: during the summer of 2004, while maintaining his public position that Newfoundland was getting a raw deal from Confederation, Dobbin's

13 David Frank, "The 1920s: Class and Region, Resistance and Accommodation," in Forbes and Muise, *The Atlantic Provinces in Confederation*, pp. 233-71; David Frank, *J.B. McLachlan: A Biography* (Toronto, 1999), pp. 304-5.

14 Bryan D. Palmer, *Working-Class Experience: Rethinking the History of Canadian Labour, 1800-1991*, 2nd ed. (Toronto, 1992), pp. 340-53.

15 Jerry Bannister, "The Politics of Cultural Memory: Themes in the History of Newfoundland and Labrador in Canada, 1972-2003", report commissioned by the Royal Commission on Renewing and Strengthening Our Place in Canada (2003), pp. 131-6. The role of neo-nationalism in the assault on organized labour in Newfoundland has no place in Bannister's analysis. See Gregory S. Kealey, *The History and Structure of the Newfoundland Labour Movement* (St. John's, 1986), pp. 202-9 and Claire Hoy, *Clyde Wells: A Political Biography* (Toronto, 1992), pp. 297-314.

16 Bannister, "Politics of Cultural Memory", pp. 141-3.

company, Canadian Helicopters Corporation, moved its head office from St. John's to Vancouver. Dobbin admitted that he was too embarrassed to speak to the press about his action, but defended the move as an act of international corporate concentration and rationalization: "Why Vancouver and not St. John's? Because I had 350 people in Vancouver already working out there and I had 35 in St. John's".¹⁷ The CHC incident is not the first time that one of the Atlantic provinces has suffered from the consolidation of capital, and Dobbin's defence would have come as no surprise to Gustavus Myers.

I think regions are important, but in the manner of a Marxist-influenced "structural-functionalist" approach – probably of the "dependency" sort described by Ian McKay. The broad historical forces of late-industrial and monopoly capitalism have produced places that have enjoyed disproportionately economic benefits and concomitant power while other places have suffered disproportionately from exploitation.¹⁸ The regional politics of Confederation have become largely the mediation of competing capitalist interests for the sake of legitimizing capitalism overall. Confederation can be more, as David Alexander pointed out a quarter of a century ago, and we may already see signs that "new notions of happiness" are emerging in the manner in which federalism works, such as in the case of the Atlantic Accord.¹⁹ But these notions will do little to redress the problems of exploitation, in its regional dimensions or otherwise, as long as they amount to federal-provincial agreements that provide regional capitalist interests with more resources to pursue their own programs of development while buying popular support through limited local welfare. New notions of happiness require a more class-conscious consideration of who benefits most from the exploitation of local resources and self-liberation from the social and ecological ruin of mass consumerism. There are only small differences between the local, regional and national culprits for these problems.

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17 *The Independent* (St. John's), 15 August 2004 (accessed online 03 May 2004 at <http://www.theindependent.ca/article.asp?AID=298&ATID=2>).

18 Ian McKay, "A Note on 'Region' in Writing the History of Atlantic Canada", *Acadiensis*, XXIX, 2 (Spring 2000), pp. 89-101.

19 David G. Alexander, "New Notions of Happiness: Nationalism, Regionalism, and Atlantic Canada", in David Alexander, compiled by Eric W. Sager, Lewis R. Fischer and Stuart O. Pierson, *Atlantic Canada and Confederation: Essays in Canadian Political Economy* (Toronto, 1983), pp. 79-100. This paper originally appeared in the *Journal of Canadian Studies*, XV, 2 (1980), pp. 29-42. Flush with the Atlantic Accord, and the higher royalties from the unexpected windfall of global inflation in world oil prices, the government of Newfoundland and Labrador has since reached a settlement on pay equity with the Canadian Union of Public Employees, Newfoundland and Labrador Association of Public and Private Employees, Newfoundland and Labrador Nurses' Union, and the Association of Allied Health Professionals (see the St. John's *Telegram*, 24 March 2006, p. A3).