

DOCUMENTS

P.A. Clutterbuck on Morley Richards and the Record of the Commission of Government, 1939

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ON 13 JANUARY 1939 the reporter Morley Richards arrived in St. John's from Liverpool aboard the SS *Newfoundland*, his purpose being to investigate conditions in the country for Lord Beaverbrook's crusading newspaper, the London *Daily Express*.¹ At the time Newfoundland was being administered by a British-appointed Commission of Government.² Under the commission system, which had been forced on Newfoundland by a financial crisis brought on by the Great Depression, there was a governor and six commissioners, three of them drawn from the United Kingdom and three from Newfoundland but all named by London. The governor chaired the Commission and the British commissioners held the financial and economic portfolios. The Commission had both executive and legislative authority and was supported by an annual grant-in-aid from the United Kingdom. It was kept on a tight rein by the Secretary of State for Dominion Affairs in London (Sir Thomas Inskip from 29 January to 3 September 1939), who, in turn, was accountable to the United Kingdom Parliament.

When Richards landed, the Commission of Government was nearing the end of its fifth year in office, having taken over on 16 February 1934. In the first phase of its administration, the Commission introduced a number of ameliorative reforms, but these had limited effect and manifestly failed to lift Newfoundland out of the economic malaise that had started with the Wall Street crash of October 1929 and had led to the suspension of elective self-government in favour of commission rule. In 1936 the Commission put forward a long-term plan for the social and economic reconstruction of Newfoundland,³ but this quickly came up against another economic downturn (the Roosevelt Recession), which beset the North American economy in 1937. In response to this latest reversal, the Commission decided to attempt a radical restructuring of the outport fishing economy according to plans put forward in a 1938 report by J.H. Gorvin, a principal in the British Ministry of Agriculture and Fisheries. The makeover was to begin with an experiment in Placentia Bay. To facilitate matters, on 31 May 1939 Gorvin was made Commissioner of Natural Resources in Newfoundland, a portfolio that included the Department of Rural Reconstruction.

During his stay in Newfoundland, which lasted until early March, Morley Richards went across the island by train, visiting the newly constructed Newfoundland Airport at present-day Gander and the pulp and paper mill towns of Grand Falls and Corner Brook en route. He also toured the mining community of Bell Island, Conception Bay, and travelled from Port aux Basques along the hard-hit south coast of Newfoundland aboard the SS *Glencoe*, a coastal boat under the command of Captain John Gullage. Richards saw much and talked to many, his informants including Commissioner for Finance J.H. Penson, Commissioner for Public Health and Welfare John C. Puddester, and former Prime Minister Richard Squires, who talked to him for six hours and told him that Great Britain had become the “overlord” of Newfoundland and had reduced the country to “serfdom.”⁴ “Why,” Squires asked, “are you making us hate you?” Lawyer and former House of Assembly speaker Cyril Fox was equally blunt: “If responsible people did not hold their tongues,” he asserted, “there would be riots. A despotism has been set up in place of constitutional democracy. Remote control from Whitehall is absurd and the dual position of a Governor who is also chairman of the Government is not only constitutionally unsound, but just an impossibility.”⁵

Returned to London, Richards published his findings in a series of hard-hitting reports in the *Daily Express*: “70,000 people get 3d a day and children go to jail” (27 March, 10); “Stark Tragedy” (28 March, 8); “A Disgrace to the Empire” (29 March, 8); “Perhaps Sir Thomas does not know about this? (30 March, 4); “More facts for Sir Thomas Inskip” (31 March, 8); and “Now will something be done?” (1 April, 4). According to Richards, half the population was “living on the starvation line,” malnutrition was “widespread and increasing,” and the Commission of Government was “overwhelmingly unpopular.”⁶ Visiting Newfoundland was “like stepping back into the Middle Ages.”⁷ Conditions there were appalling and the

Commission was manifestly floundering. Its failure, Richards warned, would “bring discredit to British administration throughout the world.”⁸ To “put the colony on its feet” again, he called for the adoption of an eight-step plan:

1. Substantial capital loans, perhaps £20,000,000 for industrial development, roads, ships, agriculture, and a tourist trade. Britain’s grant-in-aid, less than £2,500,000 in five years, is patchwork, not reconstruction.
2. Elected House of Assembly revived as first step to return of responsible Government. Non-party, national, not district vote for candidates. Financial control in British hands; outside experts, with Cabinet status, co-opted as needed.
3. Colony must change from unprofitable dried salt codfish, the world’s cheapest food, sold to the poorest people, to development of boundless fresh fish resources. Man of vision, drive and expert knowledge needed in charge. Why not a Canadian? Salesmen in all big countries.
4. Dole, now cruelly parsimonious, should be substantially increased, especially to children. Clothes and kitchen utensils should be provided. Closer supervision to ensure that undeserving do not benefit.
5. Compulsory free education as far as geographically possible. A modification of the denominational system essential; and vocational teaching.
6. More revenue from income tax now only paid by 2,809 people. Increase death duties. Lower Customs and Excise duties which hit the poor. Town councils should be compulsorily set up with powers of local taxation.
7. Naval reserve, with training ship, should be revived, and a Territorial regiment established, together with facilities for young men to come to Britain for enlistment and girls to train for domestic service.
8. A determined attack on disease with at least ten sanatoria. Education in hygiene, and more doctors.⁹

Richards also wrote favourably of a scheme being promoted by Henry Klapisch of New York, whom he had met in St. John’s, for the settlement of 6,000 Jewish refugees in Newfoundland.¹⁰ “Newfoundland,” he concluded, “should be a jewel in the Empire’s crown. There will be controversy over the ways and means I have suggested to develop it. But agreement, surely, that it must be developed.”¹¹

Not surprisingly, at the request of London, Richards’s withering assessment was examined point by point by the Commission of Government, which then submitted a “Commentary on ‘Daily Express’ Articles on Newfoundland Affairs of March 27th to April 1st.”¹² This was enclosed in a dispatch Governor Sir Humphrey Walwyn sent to Inskip on 11 May 1939. In June, with the submission from St. John’s in hand, (Peter) Alexander Clutterbuck of the Dominions Office submitted the note reproduced below (with permission), now in the holdings of the National Archives of the United Kingdom (archival reference DO 35/740/57/53). Clutterbuck wrote his note for the guidance of his minister in case the press uproar

over Newfoundland came up in House of Commons debate over the Dominions Office appropriation.

Born in India in 1897, Clutterbuck was educated at Malvern College and Pembroke College, Cambridge; during the Great War, in which he served with the Coldstream Guards, he was awarded the Military Cross and mentioned in dispatches.¹³ He was secretary to the 1933 Newfoundland Royal Commission, chaired by the Scottish Labour peer Lord Amulree,¹⁴ which began hearings, in St. John's, in March 1933 and eventually recommended the introduction of administration by an appointed government.¹⁵ Thereafter, Clutterbuck was Whitehall's leading expert on Newfoundland, and revisited the country in 1938. In 1939 he was appointed Deputy High Commissioner for the United Kingdom in South Africa but was recalled to the Dominions Office in 1940. In 1942 he accompanied Deputy Prime Minister Clement Attlee to Newfoundland¹⁶ and in 1946 was named High Commissioner to Canada. In this role he played an active part in the events leading to Newfoundland's union with Canada on 31 March 1949. In 1950 he made a nostalgic visit to the new province and reported his observations to London in a typically comprehensive and insightful account.¹⁷ From 1952 to 1955 Clutterbuck was United Kingdom High Commissioner to India and in 1955 became his country's ambassador to the Republic of Ireland. He ended his public service career as Under-Secretary of State for Commonwealth Relations and died in 1975. He was successively created CMG (1943), KCMG (1946), and GCMG (1952). There is a portrait of him by Walter Stoneman (1876-1958) in the photograph collection of the National Portrait Gallery, London.¹⁸

Clutterbuck's trenchant 1939 note nicely summarizes British thinking about Newfoundland at a critical juncture in the history of the Commission of Government and just a few months before the start of World War II, a conflict that quickly set Newfoundland on an entirely different economic, social, and, ultimately, constitutional course. In editing the note for publication here, I have moved headings into the main text and put them in italics, and have silently made other minor editorial adjustments and additions in the interest of consistency and readability.

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NOTE

1. The main points to which critics in the House of Commons have usually directed themselves are:—

- (1) Unemployment. No substantial improvement and dole rations too meagre. Commission not succeeding in their task of rehabilitation.
- (2) Social services. Need for extension of
 - (a) Hospital facilities, etc.
 - (b) Education.

- (3) Commission functioning as a dictatorship. Need for constitutional change leading, if not to representative Government, to closer association of the people with the Government.

Unemployment Figures.

2. As regards Unemployment, the figures for the month of May in each year since 1933 have been as follows:—

Pre-Commission	1933	87,412
Under Commission of Government	1934	72,691
	1935	66,900
	1936	68,690
	1937	68,140
	1938	57,100
	1939	80,684

The highest and lowest figures in the same years were as follows:—

	<u>Year</u>	<u>Highest</u>	<u>Lowest</u>
Pre-Commission	1933	91,817 (April)	34,597 (August)
Under Commission of Government	1934	85,050 (March)	21,475 (September)
	1935	73,669 (April)	26,315 (August)
	1936	76,629 (March)	41,609 (August)
	1937	80,016 (March)	22,638 (September)
	1938	63,995 (April)	31,886 (October)
	1939	84,659 (April)	—

The above figures represent the total number of persons, men, women, and children, in receipt of public relief, and include not only able-bodied men and their families but also sick, aged, and infirm (usually amounting to about 10,000-11,000 persons).

The trend is, of course, seasonal, the numbers reaching their highest at the end of the winter (March and April), dropping sharply each month in the working season from May to September and then gradually rising again during the winter months.

3. As the above figures indicate, there was a substantial improvement immediately after the Commission of Government assumed office in 1934; this improvement was maintained with minor fluctuations until 1937; a further substantial

advance showed itself in the figures for 1938; but since the spring of 1938 that has been a pronounced set-back, the figure for April 1939 being the highest recorded since March 1934 (the month immediately following the assumption of office by the Commission of Government).

Relief Scales.

4. It has always been the practice for relief in Newfoundland to be issued in kind and not in cash. The practice is for those in need of relief to be given orders by the local Relieving Officer on the nearest storekeepers. Under the Commission of Government the relief scales have been increased, the rations issued have been improved in quality, and a wider choice of items has been made available to applicants.

The following is a summary of the relief scales at present in force:—

Country districts

Average \$2 a head per month.

In addition supplies of vegetables and fuel are distributed in certain districts where there is a shortage of agricultural land or of timber.

St. John's (where the inhabitants have not the same natural advantages as those in the country districts).

Family of three \$6.40 a head per month.

Larger Families Average \$4.00 a head per month.

Free fuel is also distributed where needed. Both in St. John's and the country districts supplies of clothing are issued to widows and orphans, the aged and infirm, and sick persons in receipt of relief.

Natural advantages available to those on relief.

5. Relief in Newfoundland differs from that in this country in that it is intended primarily not as a full living allowance but as a supplementary allowance enabling recipients to provide themselves with such necessities of life as they cannot grow or produce themselves. The following points are material in this connection:—

(a) Most Newfoundlanders own their own houses and have no rent to pay.

- (b) In most cases they also have small allotments on which vegetable crops can be grown.
- (c) The great majority of Newfoundlanders live on the coast, where fish of a variety of kinds is available to them and can be salted down for the winter.
- (d) In most parts of the Island free fuel is available from the timber on the coastal belt which is reserved for the use of the people.
- (e) Additional resources are in many cases provided by live-stock, e.g., sheep, pigs, goats, and poultry.
- (f) The country-side produces unlimited quantities of edible berries which grow wild all over the Island and can be eaten either fresh or in pies or made into jams or picked for sale, e.g.,

blueberries
partridge berries
cranberries
squash berries
bakeapples

Relief affords subsistence.

6. With all these natural advantages there is no real comparison between unemployment conditions in Newfoundland and in England, and it is scarcely surprising that the scale on which relief is granted in Newfoundland should be lower than that at home. In Newfoundland the items on which the dole orders are mostly expended are flour, sugar, tea, and salt-pork: these items added to home-grown produce and the resources available from the sea and the country-side, provide the man in receipt of relief with an adequate basis for subsistence. (It is indeed the view of the Commission that people can subsist without impairment to their health even on the dole rations alone; but the point is one which it would perhaps be as well not to make, since (a) it is qualified by the proviso that such people would not be able to undertake any hard work or expose themselves to severe winter conditions (b) it does not, in Dr. Mosdell's¹⁹ view at any rate, apply to the South West coast, the most depressed area in the Island).

Mr. Morley Richards's allegations.

7. In these circumstances, it is erroneous to speak of those in receipt of public relief as in a condition bordering on starvation, and Mr. Morley Richards's allegations on this head are exaggerated. It cannot be denied that in certain individual cases, and sometimes in the whole of a small settlement where there is no local leadership and no initiative, the people have failed to take advantage of the natural re-

sources available to them, with the result that their condition is altogether deplorable; but these are extreme cases and Mr. Morley Richards appears to have taken some of these and presented them as typical, thereby giving a distorted and misleading picture. His further allegation that those on relief are in many cases without sufficient clothing is also exaggerated. It is true that in the case of the able-bodied the dole orders provide food and household necessities only and not clothing; but nearly all able-bodied men receive opportunities for earning during the summer months and the clothing of themselves and their families is replenished from their earnings during those months. This applies both to those (the great majority) who go on relief only during the off season, as well as to the small minority who are in receipt of relief all the year round. Further, in cases of genuine distress, e.g., where children have not sufficiently warm clothing or suitable footwear to enable them to go to school in the winter, special issues are made by the Department of Public Health and Welfare. The allegation that shortage of clothing is shown by the number of cases in which sacking is worn is also very misleading: flour sacking can be made into a very good coat or skirt for rough wear and is quite often worn in place of overalls (which with long rubber boots, are the common wear in Newfoundland).

Causes of recent set-back.

8. The causes of the recent set-back have already been explained to Parliament and are well summarised in the preface to the Annual Report of the Commission of Government for 1938 (Cmd. 6010). 1937 was a very encouraging year in which there was a new trend towards economic revival. There was a general improvement in trade, as a result of improved conditions in some of Newfoundland's most important foreign markets; the mining industry was working to capacity; the logging industry did well; and there was a certain advance in general economic activity throughout the country. All the accepted indices of business activity showed a favourable trend, and the financial year 1937-38 closed with the highest revenue (\$12,272,000) recorded in the history of the Island. In the spring of 1938, however, the picture suddenly changed. The business recession in the United States led to a severe fall in the demand for newsprint, and this in turn led to both the large Paper Companies (Grand Falls and Corner Brook) placing their mills on part-time and drastically curtailing operations in the forests. Whereas 515,000 cords of woods had been cut by the two Companies in 1937, only 200,000 cords were cut in 1938. This meant that some thousands of men who were accustomed to find work in the woods each season could either obtain no employment at all, or employment only for a much reduced period. Simultaneously, a new emergency arose in the fishing industry, already suffering from the restriction of the Spanish market as a result of the Spanish Civil War and from the limitation of sales to Italy on account of exchange difficulties. In April, 1938, heavy new taxation was imposed in Brazil,

Newfoundland's largest individual codfish market, on all imported fish products. Representations on behalf of Newfoundland were at once made to the Brazilian Government, and as a result a small portion of the new taxes was remitted. But the taxes, even as reduced, remained so heavy as to remove all prospect of Newfoundland exporters being able to make sales to Brazil at an economic price. A further danger arose in that a falling off of sales to Brazil carried with it the prospect of congestion in the other codfish markets and of a general lowering of prices in consequence. These simultaneous blows to two of the Island's three main industries necessarily reacted on confidence, discouraged merchants from issuing supplies on the usual scale, and depressed conditions throughout the country.

Measures taken by the Commission.

9. Faced with this sudden deterioration in prospects, due to external circumstances altogether outside their control, the Commission were forced to devise a series of ad hoc measures with a view to assisting the fishermen and loggers to tide over the new emergency. In regard to the fishing industry, the Commission after negotiation with the trade introduced a scheme which guaranteed prices according to quality were paid to the fisherman for his catch, any resulting loss to the exporters being borne by the Government. At the same time a short-term programme of road and public works was introduced, designed to give employment both to those men who had not been able to obtain supplies for the fishery and to the loggers who had been thrown out of work in the woods. Provision was also made for the grant-in-aid from the United Kingdom Exchequer to be increased with a view to enabling the Commission to go forward with their long-term reconstruction programme in spite of the additional expenditure involved by these short-term measures. It is much to the Commission's credit that they were able in these very difficult circumstances to mitigate to a substantial extent the serious effects of this sudden menace to two of the Island's three main industries which are the principal source of livelihood for some three-quarters of the population.

Possibility of upward trend this year.

10. It was not possible, however, by Government action alone to offset in full the results of this sudden fall in the volume of employment in the Island, and, in consequence, the relief returns during the winter have been considerably swollen. The experience has emphasised once again the extent to which Newfoundland's economic welfare, bound up as it is with that of her foreign customers, is at the mercy of fluctuating conditions in foreign markets. Whether the emergency is temporary only and whether there will be an upward tendency this year remains to be seen. All that can be said at present is that there is a fair prospect that logging operations will be resumed this summer on an extensive scale, and the immediate outlook

is therefore improved to that extent. But prospects in the fishing industry remain unpromising. The taxes which have proved so damaging to Newfoundland exporters are being maintained in Brazil in spite of continued efforts to induce the Brazilian Government to modify them; trade with Spain has not yet resumed on a normal footing; and the low prices ruling in other markets create further difficulties. In these circumstances, it will be necessary for the Commission of Government to continue the special measures of assistance to the fishing industry introduced last year, and a revised scheme has just been announced by the Commission with the object both of facilitating the marketing of fish on an organized basis and of enabling the producer to receive a guaranteed return for his catch. Fortunately, the mining industry continues to work to capacity and remains a stable element in an otherwise uncertain situation.

Improvements over 1933 in spite of set-back: Revenue & Trade.

11. The criticism that this set-back shows that there has been no improvement in conditions under the Commission of Government does not bear examination. In spite of the very severe handicap of adverse trade conditions, advances have been made under the Commission in a variety of directions. The revenue and trade figures speak for themselves.

	Year	<u>Revenue</u>		
		Revenue (\$)		
Pre-Commission	1932-33	8,085,700		
Largely Pre-Commission	1933-34	8,719,000		
Under Commission of Government	1934-35	10,724,600		
	1935-36	10,920,800		
	1936-37	10,995,700		
	1937-38	12,272,000		
	1938-39	11,250,000 (estimated)		
 Trade Figures				
	Year	Imports (\$)	Exports (\$)	Total Trade (\$)
Pre-Commission	1932-33	15,167,000	24,475,000	39,642,000
Largely Pre-Commission	1933-34	16,306,000	26,792,000	43,098,000
Under Commission of Government	1934-35	19,240,000	27,229,000	46,469,000
	1935-36	20,691,000	28,862,000	49,553,000
	1936-37	23,925,000	28,058,000	51,983,000
	1937-38	27,912,000	34,943,000	62,855,000

N.B., 1938-39 figures not yet available but will probably show some drop on those for 1937-38.

Administrative improvements.

12. On the administrative side, the Commission have overhauled and revised the entire machinery of Government and have created an efficient civil service which is admitted on all sides to be working excellently. The Customs tariff has been comprehensively revised and duty reductions have been made to the extent of over \$1 million per annum with a view to relieving the burden on the fishermen and the poorer classes of the community; even so, with improved methods of collection, the Customs revenue has shown a steady expansion (though now affected to some extent by last year's set-back). The Post Office, hitherto run at a loss, now pays its way, and the Railway very nearly so. Road communications have at the same time been considerably improved, and new road construction undertaken with a view to opening up the country for agricultural and other development. A new service of District Magistrates has been set up as a link between the Commission and the people; and also a new Ranger Force, based on the model of the Canadian Mounted Police, which operates in the country districts. The administration of relief has been revised and improved, and a new Government Department dealing solely with Agriculture and Rural Reconstruction has been established.

Economic objectives.

13. On the economic side, the Commission have sought both to assist the Island's three main industries (fisheries, newsprint and logging, and mines) to meet existing difficulties by seeking new markets and adopting improved methods, and also to lessen the degree to which the prosperity of the Island is bound up with the prosperity of these three industries. Strenuous efforts have been made to encourage the people to become self-supporting in agricultural products, and a variety of measures have been adopted to this end. Experiments in land-settlement have been undertaken, and these, though costly, should afford useful guidance for the future. The majority of Newfoundlanders are largely if not wholly dependent for their livelihood on one seasonal occupation only, e.g., fishing, logging, or other seasonal work. It is the aim of the Commission to bring about in these cases a gradual broadening of the basis of subsistence by encouraging the people to look for their support to a combination of occupations instead of to one occupation alone. The land provides the readiest means of supplementing returns from fishing and logging, and the creation of a new class of fisherman-farmer, or logger-farmer, is the main objective of the Commission's rural reconstruction policy. The measures so far taken to this end are now to be considerably expanded under Mr. Gorvin's proposals (see paragraph 20 below).

Fishery organisation etc.

14. At the same time, the Commission have sought to promote the reorganization of the fishing industry, as regards both production and marketing, on lines which would ensure a greater measure of stability to the industry and improved returns to the fisherman. Loans have been made for the building and equipment of vessels and the replenishment of gear: a number of bait depots have been established, and the provision of curing stations encouraged: the marketing machinery has been revised in consultation with the trade: schemes for manufacture of new by-products, e.g., herring oil and meal have been introduced: the processing of fish in new forms and measures for diversifying the industry have been studied: and encouragement has been given to proposals for the export of fish in a fresh or chilled form instead of in a salted state. In this latter connection negotiations have been in progress for over a year, and will, it is hoped, soon be concluded, with an important United States Company (General Sea Foods) for the establishment in Newfoundland of a large refrigerated plant from which fish and other processed products could be exported to the United States market. At the same time the salt-fish market has been supported by special insurance and guarantee schemes designed to maintain prices to the producer.

Developments in forests.

15. As regards the industries dependent on the forests, the Commission have succeeded in promoting the welfare of the loggers both in the direction of improved wages and by means of legislation providing for better conditions of work. They have also sought to add to the country's earnings from the forests (hitherto largely confined to the newsprint industry) partly through the encouragement of the cutting and export of timber for other purposes and partly through the development of certain forest areas hitherto unexploited. A new industry in the export of pit props from Labrador has been operating for some years with financial assistance from the Government and a considerable quantity of timber for pit props has also been exported in recent years from Newfoundland. Towards the end of 1938, after negotiations lasting over a year, an Agreement was concluded between the Commission of Government and Messrs. Bowater Lloyd, who earlier in the year had acquired one of the two large paper mills in the Island (Corner Brook), providing for the utilisation of forest areas amounting to some 4,500 square miles, partly as a means of supply for a new sulphite-pulp mill to be erected in the Island and partly for the export of pulp-wood to the United Kingdom. Following on the conclusion of this Agreement, a substantial programme of work in the forests has been announced by the Company for the coming season.

Hospital and Public Health improvements.

16. Perhaps, however, the most striking advance has been made in the field of Public Health. When the Commission of Government assumed office, beri-beri was rampant: this has now been entirely stamped out. The small Nursing Service in the country districts, formerly run under voluntary auspices, has been taken over by the Government and considerably extended. Ten fully equipped Cottage Hospitals have been built at strategic centres; these provided in 1938 25,000 treatment days for patients. In addition, a Government vessel equipped as a Travelling Clinic, with a Doctor and Nurse on board, operates on the South coast throughout the year. The Tuberculosis Sanitorium at St. John's has been enlarged and remodelled, and a programme for the expansion and modernisation of other Hospitals and Institutions in St. John's, including the General Hospital, is in process of execution. Special attention has been paid to the health of children in the schools, and three Child Welfare Clinics are now in operation. Last year a special campaign was initiated against tuberculosis, the treatment of which presents special difficulties in the isolated condition of many of the settlements, and a new mobile Health Unit has been established with a view to combatting the spread of this disease and to giving health instruction to the people in their own homes. There is still room for expansion and improvement of the Island's Medical and Health Services generally: but the advance made in the last five years under the Commission of Government constitutes a very creditable record.

Educational improvements.

17. Improvements have also been made in the educational field. Increased grants have been made by the Commission of Government to the Churches, who are responsible for the provision of elementary education: a new and more practical curriculum has been introduced in the schools: funds have been provided for the provision of text-books: special grants have been made for improving the existing accommodation in schools and for the building of new schools: courses for the training of teachers have been introduced: adult education has been encouraged: and the school population has been increased by some 10,000 children since 1934, and the average attendance by some 7,000. In the same period the number of schools has increased by 63 to a total of 1,166.

Test: What would have been situation today without the Commission?

18. Had trade conditions remained reasonably stable, the improvements made under the Commission in all these directions would have had a cumulative effect, the result of which would have been seen not only in a higher standard of living and improved social conditions but also in a steady decrease in the number of those

seeking public relief. But, unfortunately, the tide of recovery started by the Commission was abruptly checked last year by the opposing tide of trade recession. Had Newfoundland been left to her own resources, this opposing tide would have engulfed the Island: as matters stood, a virtual deadlock resulted. To point out in these circumstances that the unemployment figures today are as high as they were five years ago is no proof that the Commission have failed. On the contrary, the true question is what would be the state of the Island now if the Commission had not been there to stand between it and disaster?

None the less new approach needed.

19. None the less the recent set-back has necessarily affected the Commission's method of approach to the whole Newfoundland problem. When in 1937 signs of economic revival became manifest, there was every reason to hope that the long years of depression since 1931 were at last drawing to an end: now that these hopes have been disappointed, the effect on the morale of the people who have endured year after year of hardship with amazing patience and fortitude has inevitably been serious. In 1937, after an exchange of correspondence between the Commission of Government and the Secretary of State, the outlines of a long-term programme were approved: this programme fell into two parts and provided both for measures designed to assist the distressed sections of the people towards earning an adequate livelihood and also for the progressive improvement and expansion of the social services, particularly Public Health and Education. The cost of the programme was estimated by the Newfoundland Government at about \$8,000,000 spread over 10 years, and it was agreed that provision should be made in the Newfoundland Estimates for an instalment to be carried out each year. It is now clear, however, that new and bolder measures are needed with a view both to the provision of work for those on relief and also to the enlargement of the means of subsistence of the average Outport man. This is the key-note of the report submitted last autumn to the Commission of Government by Mr. Gorvin who was specially seconded from the Ministry of Agriculture early in 1938 to undertake a survey of the whole field of rural reconstruction in Newfoundland.

Gorvin proposals.

20. Copies of Mr. Gorvin's Report, and of the Newfoundland publication giving the text of the despatches exchanged with the Secretary of State in 1936-37 in regard to the long-term programme of rural reconstruction, have been placed in the Library of the House of Commons. Mr. Gorvin's main proposals fall under the following heads:—

(1) Rehabilitation of unemployed fishermen.

This is a large question which raises far-reaching issues, and Mr. Gorvin suggests that the most hopeful method of approach would lie in the introduction with Government assistance of co-operative development schemes on a regional basis. He recommends that an experiment on these lines should be carried out in three areas in Placentia Bay, with a view to affording a basis on which conclusions as to future policy can be reached.

(2) Agricultural expansion, through

- (a) development of 5 acre holdings for fishermen and loggers (about 600 such holdings are envisaged);
- (b) establishment of 50 acre holdings for farmers in inland areas (land for up to 400 such holdings is thought to be readily available);
- (c) advances to fishermen-farmers in existing settlements.

(3) Road Development, partly to encourage the movement of population from overcrowded or derelict settlements to new agricultural areas and partly to open up the country generally and to break down isolation.

(4) Improvement of Education on technical and vocational lines, and institution of training camps and a system of apprenticeships in industry.

(5) Encouragement of rural industries and of proposals for the establishment of new local industries.

Accepted in principle.

21. Mr. Gorvin's proposals, as the House of Commons has already been informed, have been accepted by the Commission of Government and approved in principle by the Secretary of State. Measures to carry them into effect are now in course of preparation in Newfoundland and the necessary financial provisions for the first year's operations will be made in the Newfoundland Estimates for 1939-40. At the same time the Commission will proceed with the execution of the other aspects of their long-term programme, and in particular with the measures providing for the progressive improvement and expansion of the Public Health and Educational services. The position thus is that, so far as these aspects of the Commission's programme are concerned, the general outline of policy contained in the exchange of despatches in 1936-37 still holds good: on the agricultural and rural re-

construction side the measures then foreshadowed are to be expanded and supplemented by new and bolder schemes on the lines of Mr. Gorvin's proposals.

Other measures contemplated by Commission.

22. In addition to these measures the Commission have of course numerous schemes in view for assisting the economic life of the country and particularly the fishing industry on which over half the population are dependent. Full particulars of the Commission's programme for the year beginning on the 1st July next will be announced in the Budget Speech which will be made in Newfoundland on the 3rd July. Copies of the Speech will be placed in the House of Commons Library as soon as possible thereafter.

Financial implications of reconstruction programme.

23. As regards the financial implications of the Commission's reconstruction programme, including the Gorvin proposals, it would be as well to avoid giving a detailed estimate, but there would perhaps be no harm in saying that the Newfoundland Estimates are expected to provide for an expenditure of over \$2,500,000 for reconstruction purposes in 1939-40, in addition to ordinary administrative expenditure, and that it is anticipated that provision of a still larger amount will be necessary in 1940-41 and 1941-42. Meanwhile, it is proposed to provide a grant-in-aid of £1,000,000 for the United Kingdom financial year 1939-40, i.e., to finance expenditure up to the 31st March next. This compares with a grant-in-aid of £320,000 for the United Kingdom year 1938-39. The effect on the grant-in-aid in future years of the increased level of expenditure contemplated must, of course, depend on numerous factors which cannot be foreseen at present, but unless Newfoundland revenue which, in spite of the set-back, still stands at over \$3,000,000 (or over 35%) higher than when the Commission took over, should show a new advance, e.g., as a result of improved trade conditions, the prospects are that it will be necessary to provide an even larger grant-in-aid than £1,000,000 in 1940-41.

Grants-in-aid and other financial assistance to date.

24. The total issues so far made to Newfoundland from the United Kingdom Exchequer by way of grants-in-aid amount to £2,415,000.

Of this sum £554,990 was advanced before the Commission of Government assumed office (17th February 1934).²⁰

The following table shows the grants voted and issued since the establishment of the Commission of Government:—

<u>U.K. Year</u>	<u>Voted</u>	<u>Issued</u>
Feb-March		
1934	£234,000	£234,000
1934-35	£438,500	£348,760
1935-36	£369,680	£369,680
1936-37	£430,000	£406,075
1937-38	£450,000	Nil
1938-39	£320,000	£320,000
1939-40	£1,000,000	£170,000
	(to be provided)	(on account)

In addition, loans amounting to £727,630 have to date been made from the Colonial Development Fund:²¹ there have also been certain small grants from the Fund which with certain other grants have amounted to £42,000.

Apart from the grant-in-aid provision is also made in the Dominion Services Vote this year for a loan of £150,000 to Newfoundland for the purchase of two new steamers to replace certain obsolete vessels in the service of the Newfoundland Railway. Contracts for these new steamers have been placed in this country for delivery in the spring of 1940.

Advisory Council etc.

25. On the question of providing means for the closer association of the people with the Government, demands have been made from time to time both in Newfoundland and in this country for the establishment of an Advisory Council, composed of nominated unofficial Newfoundlanders, whom the Government could consult in all matters of legislation and also in the more important items of executive business. The whole question was gone into very carefully by the Commission in 1936 and 1937, and the view then held was that the establishment of such a body would carry with it great dangers and so far from helping the Commission might seriously embarrass them. Moreover, in the Commission's view, there was no real demand in Newfoundland for a change of this kind, save only on the part of few of the old gang of politicians who would naturally welcome the opportunity of setting themselves up as champions of the people; these elements, however, would not be satisfied with anything short of an elected Council, and the establishment of a nominated Council would inevitably lead to friction and controversy. These views were accepted at the time, and that they have not since changed was confirmed by the Governor²² during the general discussion with the Secretary of State on the 4th April, when he explained that "the creation of an Advisory Council would only make matters worse rather than better, since the Council, having no direct responsibility, would be bound to make all kinds of recommendations which could not be accepted by the Government, and constant clashes, which would seriously embar-

pass the Commission, would have to be expected. He was convinced, therefore, that any move in this direction was impracticable at the present time.” This was supported by Sir Wilfrid Woods²³ and Mr. Emerson,²⁴ the former emphasizing that there was no demand for such a change, except on the part of those who would wish to use the Council as a lever for screwing more money out of the United Kingdom, and the latter pointing out that if such a change were once made it would be impossible to go back, and the next step would be the restoration of responsible Government, which would be altogether premature.

Other means of maintaining contact with public opinion.

26. Given, however, that the creation of such a body must be ruled out in present circumstances, there are a number of ways in which the Commission can and do keep in touch with public opinion and make use of advice and suggestions from qualified unofficial persons. The St. John’s Board of Trade is a very useful focus of commercial opinion; close contact is maintained with the Board by the Commission who have consulted them from time to time on matters of commercial and general interest. (Experience has shown, however, that it is impossible always to accept their advice.) Ad hoc Committees have also been constituted for the consideration of specific problems or aspects of policy, and the Government has been able through this medium to obtain advice from a local standpoint from those most qualified to give it. Meetings of those concerned in a particular business or industry have also been called on occasion for consultation with the Government. Contact is also maintained with the religious denominations, with the Trade Unions and labour associations, with the various charitable organisations, and of course with the Press. St. John’s is a small place and the Commissioners move about freely and are readily accessible: so far, therefore, as opinion in the Capital is concerned, it may be said that the Commission is fully in touch with all sections, at any rate of vocal opinion, and little difficulty arises.

Contact with opinion in country districts.

27. It is, however, more difficult for the Commission to keep in touch with opinion in the country districts. The best means of doing this is, of course, by personal tours; these, in practice, have to be undertaken in the summer months and are not always easily arranged. The new system of District Magistrates has done something to provide a link between the Commission and the people, but this only partially supplies the need, and more publicity for the Commission’s aims and policy and a greater amount of personal contact are undoubtedly wanted. The former want will now, it is hoped, be met to a large extent through the medium of the new Broadcasting Station:²⁵ if the Commissioners each give fairly frequent broadcasts, whether on the work of their Departments or on current public issues of common

interest, they will make themselves known to thousands in the Outports to whom at present they are isolated and remote figures and will be able to bring home to the people the aims of the Government and the needs of the time. Personal contact cannot, of course, be maintained by the Commissioners with each of the Island's 1,300 settlements, but, apart from yearly tours (which should be strongly encouraged and are indeed essential) opportunity for closer contact at any rate with District representatives may be provided in course of time by the new Regional Councils proposed by Mr. Gorvin in connection with the proposals for the rehabilitation of unemployed fishermen. These Councils are to be set up in Placentia Bay only in the first instance; but, if the scheme is successful there, it will no doubt be extended to other parts of the Island and out of these Councils may emerge the beginnings of some form of local Government, so sorely needed in the Island and thought by many (including Mr. Morley Richards who advocated compulsion!) to be an essential preliminary to the successful restoration of self-government.

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Notes

¹For Richards's career, see *The Times* (London), 22 Jan. 1974, 16. During World War II he was a prominent military commentator. Later, he was news editor of the *Daily Express* for 14 years. For the date of his arrival in St. John's, see *Evening Telegram*, 13 Jan. 1939, 4, 13.

²For the history of the Commission of Government, see my *Newfoundland in the North Atlantic World, 1929-1949* (Kingston and Montreal: McGill-Queen's University Press, 1988).

³For the 1936 plan of the Commission, see my "The Commission of Government on Reconstruction, December 1936," *Newfoundland and Labrador Studies*, 26, 2 (2011): 241-88.

⁴*Daily Express*, 31 Mar. 1939, 8.

⁵*Ibid.*, 30 Mar. 1939, 4.

⁶*Ibid.*, 27 Mar. 1939, 10.

⁷*Ibid.*

⁸*Ibid.*, 3 Mar. 1939, 9.

⁹*Ibid.*, 27 Mar. 1939, 10.

¹⁰*Ibid.*, 1 Apr. 1939, 4.

¹¹Ibid.

¹²United Kingdom National Archives, Dominions Office Records (DO), 35/723/N2/41.

¹³For his career, see *The Times*, 31 Dec. 1975, 12.

¹⁴William Warrender Mackenzie, 1st Baron Amulree.

¹⁵United Kingdom, *Newfoundland Royal Commission 1933 Report*, Cmd. 4480, 1933, 223.

¹⁶For this visit, see my "Clement Attlee's Visit to Newfoundland, September 1942," *Acadiensis* 13, 2 (1984): 101-09.

¹⁷See my "'A more than usual interest': Sir P.A. Clutterbuck's Newfoundland Impressions, 1950," *Newfoundland Studies* 3, 2 (1987): 251-63.

¹⁸See <www.npg.org.uk/collections/search/person/mp86535/sir-peter-alexander-clutterbuck?search=sas&sText=Clutterbuck&OOnly=true>.

¹⁹Secretary, Department of Health and Welfare, Newfoundland.

²⁰The Commission of Government was inaugurated at a ceremony in the ballroom of the Newfoundland Hotel, St. John's, on 16 February 1934. It held its first meeting at Government House, St. John's, the next morning.

²¹This fund had been established in 1929 by a United Kingdom statute.

²²Sir Humphrey T. Walwyn, Governor of Newfoundland, 1936-46.

²³Woods, an Englishman, was Commissioner for Public Utilities.

²⁴Lewis Edward Emerson, a Newfoundlander, was Commissioner for Justice.

²⁵Of the Broadcasting Corporation of Newfoundland, established under an act dated 27 January 1939.