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Newfoundland's Union with Canada, 1949:
Conspiracy or Choice?

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Volume 12, Number 2, Spring 1983

URI: https://id.erudit.org/iderudit/acad12_2rn01

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Publisher(s)

The Department of History of the University of New Brunswick

ISSN

0044-5851 (print)
1712-7432 (digital)

Explore this journal

Cite this document

Neary, P. (1983). Newfoundland's Union with Canada, 1949:: Conspiracy or Choice? *Acadiensis*, *12*(2), 110–119.

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Research Note

Newfoundland's Union with Canada, 1949: Conspiracy or Choice?

THE OPENING OF A MASS of papers at the British Public Record Office on the history of Newfoundland in the 1940s has rekindled the debate over the circumstances in which the province became part of Canada in 1949. The question at issue was, and is: did Newfoundlanders decide their own constitutional future after the war or was Confederation engineered by Great Britain and Canada? Conspiracy theories were popular in Newfoundland at the time and have never really died out. What are the facts? The events leading up to Confederation cannot be understood without reference to what happened to Newfoundland in the 1930s. As an export-oriented and debtor country, Newfoundland was economically savaged by the Great Depression and quickly pushed to the edge of bankruptcy. In 1933, with the agreement of the government formed in St. John's the previous year by Frederick Alderdice, a Royal Warrant was issued from London appointing a commission "to examine into the future of Newfoundland and in particular to report on the financial situation and prospects therein".[1] Chaired by Lord Amulree, a Scottish Labour peer, this royal commission advocated that Great Britain assume "general responsibility" for Newfoundland's finances; but it also recommended that Newfoundland give up democratic parliamentary government in favour of administration by a British-appointed commission.[2]

This scheme was accepted by the Newfoundland legislature and the new "Commission of Government" was inaugurated in St. John's in February 1934. The new administration was responsible to the parliament of the United Kingdom through the Secretary of State for the Dominions and combined a governor and six commissioners. Three of the latter were chosen from Great Britain and three from Newfoundland. The whole arrangement was not meant to be permanent but to last until Newfoundlanders could support themselves again, whereupon self-government would be restored at their request.[3] But no definition was given to self-supporting and no procedure was spelled out whereby responsible government might be resumed. These were critical omissions and left the British considerable scope for manoeuvre later on. Lord Amulree had investigated the possibility of Confederation as a solution to Newfoundland's problems but the idea had received a frosty reception in R.B. Bennett's Ottawa. The response of E.N. Rhodes, Bennett's Nova Scotian Minister of Finance, was especially chilling. "He was against Confederation", Rhodes told Amulree, "as

1 See S.J.R. Noel, *Politics in Newfoundland* (Toronto, 1971), p. 210.

2 *Newfoundland Royal Commission 1933 Report* (London, 1933), pp. 201-2.

3 Great Britain, *The Public General Acts, 1933-34*, p. 10.

the Newf[oundlande]rs would really in effect become another Ireland — not in the racial sense, but a nuisance and always grumbling and wanting something".[4]

During its first five years the Commission of Government effected many administrative changes and promoted various development schemes but Newfoundland remained economically downtrodden and was hit badly by the recession of 1937-38. Only an annual grant-in-aid from the United Kingdom permitted the Commission to balance its books in these years. In the summer of 1938 Governor Sir Humphrey Walwyn reported a more "bolshie" spirit among the St. John's hard-core unemployed and the following spring a *Daily Express* reporter concluded that the Commission was "overwhelmingly unpopular".[5] It would take the outbreak of the Second World War to transform the Newfoundland economy. In an age of air and submarine warfare the Island was strategically located, and Canada and the United States had obvious military interests there. It was their defence spending on the Island and in Labrador that got Newfoundlanders out of the economic quicksand. Early in the war Canada took over the running of Gander airport, built by Great Britain and Newfoundland in the late 1930s and henceforth a crucial stopover point in the transatlantic ferrying of aircraft and supplies. Canada subsequently built air bases near St. John's and at Goose Bay, Labrador. St. John's was also a major centre of Canadian wartime naval operations and from 1941 the seat of a Canadian High Commission. In September 1940, Great Britain promised to secure for the United States "freely and without consideration" the grant for 99 years of base sites in Newfoundland.[6] A lease was subsequently negotiated between Washington and St. John's and rapid development followed. During the summer of 1942, at the height of the base-building boom, approximately 20,000 Newfoundlanders were employed on defence construction.[7] It was a measure of the turnabout in her fortunes that in 1941 Newfoundland made the first of a series of interest-free loans to the United Kingdom.[8]

Economic change of this magnitude clearly had political consequences and these, not surprisingly, invited Whitehall's attention. As one Dominions Office official wrote in June 1942, "a new and vigorous policy with regard to Newfoundland" had become imperative.[9] In the heyday of the Atlantic Charter,

4 Amulree to Harding (draft), 21 May 1933, Amulree Papers, Bodleian Library. Quoted by permission of Lord Amulree.

5 Dominions Office [DO] series 35, file 725/N8/12, p. 23, Public Record Office; *Daily Express* (London), 27 March 1939, p. 10. All subsequent DO references are to material in the Public Record Office. Transcripts of Crown-copyright records in the Public Record Office appear by permission of the Controller of H.M. Stationery Office.

6 Great Britain, *Parliamentary Papers, Cmd. 6259* (London, 1941), p. 15.

7 Newfoundland Government, *Report of the Labour Relations Officer for the period June 1st, 1942, to February, 8th, 1944* (St. John's, 1944), p. 13.

8 DO 35/723/N2/73, p. 50; DO 35/749/N314/6, p. 77.

9 DO 35/723/N2/73, p. 5.

Newfoundland's existing form of government had become an anachronism, perhaps even an embarrassment; the war was being fought for democracy but, except in municipal elections in St. John's, Newfoundlanders did not vote. In the autumn of 1942, Clement Attlee, recently appointed to the Dominions Office, visited Newfoundland, observing that the Commission of Government had not prepared for the restoration of self-government and had no clear purpose. Political change, he believed, was both desirable and unavoidable, though the form it should take was by no means clear. "I sum up the attitude of most Newfoundlanders", Attlee wrote, "as being that of a man who having had a spell of drunkenness has taken the pledge . . . is tired of it and would like to be a moderate drinker but does not quite trust himself".[10] In 1943 another prominent British official wrote that what Newfoundlanders "universally" wanted was "to be on their own with a comfortable grant-in-aid, and little responsibility".[11] This was harsh but it was certainly true that Newfoundlanders, preoccupied with their sudden prosperity, never threatened the established political order during the war. The dissidents among them were divided in outlook and were easily deflected by Whitehall.

On Attlee's initiative a three man parliamentary "goodwill" mission was dispatched to Newfoundland in the summer of 1943. Then, in December of that year, it was announced in Parliament that "as soon as practicable" after the war in Europe had ended, Great Britain would provide Newfoundlanders with "machinery. . . to express their considered views as to the form of Government they desire, having regard to the financial and economic conditions prevailing at the time".[12] This promise meant business as usual for the Commission of Government in the interim and had two advantages: it would avoid any disruption of Newfoundland's war effort and would allow Newfoundlanders serving overseas to have a fair say in their country's future. Great Britain, the House of Commons was now also told, did not desire "to impose any particular solution" on Newfoundland but would be "guided by the freely expressed views of the people".[13]

The thinking behind Whitehall's first public policy step was that Confederation, while perhaps the best long-term solution for Newfoundland, was "wholly out of the question" and was, moreover, "a matter in which His Majesty's Government in the United Kingdom could not directly intervene".[14] The British further assumed that Newfoundland's existing prosperity was transitory and that the post-war period would be difficult. Though Newfoundlanders would be able to choose for themselves politically, in the British view they could not be

10 *Ibid.*, p. 63.

11 DO 35/1141/N402/11, p. 9.

12 DO 114/103, p. 24.

13 *Ibid.*

14 DO 35/1337/N402/1/11, pp. 208-09.

left to their own devices economically. If they were, Great Britain might soon be faced yet again with emergency requests for financial aid from St. John's. Above all, therefore, Great Britain wanted to avoid backing a Newfoundland government that would be free to borrow and spend as it pleased. In 1944 the Dominions Office attempted to refine the policy declaration of December 1943, to take account of all these factors. On the constitutional side, Lord Cranborne, Attlee's successor at the Dominions Office, opted for a procedure first suggested by Independent MP A.P. Herbert, one of the parliamentarians who had gone to Newfoundland on the goodwill mission.[15] The instrument through which Newfoundlanders would begin considering their constitutional future after the war would be a national convention elected, it was eventually decided, on a revised model of the pre-1934 local constituencies.

The Commission of Government resisted the national convention proposal, fearing that an elected body of Newfoundlanders would put it on trial, act as an alternative government, or do both.[16] But criticism from this quarter was brushed aside in London, and in any case the attitude of official St. John's changed when the Dominions Office made known the extent of the financial support it was willing to recommend for Newfoundland. In August 1944, Cranborne met in London with a three-man Commission of Government delegation which included two Newfoundlanders, L.E. Emerson and J.C. Puddester. Earlier he had asked the Commission to begin preparing a long-term reconstruction plan for Newfoundland. Now he revealed that he favoured a special parliamentary act to fund over about ten years the capital cost of development schemes in Newfoundland which he and the Chancellor of the Exchequer had previously approved.[17] Great Britain might also, he suggested, take over Newfoundland's sterling debt to offset the recurring costs of the development projects to be undertaken. This would be generous assistance indeed and the commissioners were quick to point out that its announcement before Newfoundlanders rendered an electoral verdict on their constitutional future would guarantee "an overwhelming vote in favour of a return to responsible government".[18] This being so, Great Britain would need some mechanism to safeguard her proposed investment.

Cranborne's answer here was a Joint Development Board. This would be established when the British Parliament voted funds for Newfoundland and while the Commission of Government was still in office, so as to avoid the coincidence of the restoration of self-governemnt and the imposition of new financial controls. As envisaged, the Board would be chaired by a judge of the Newfoundland Supreme Court and have six other members, three nominated by Great

15 *Ibid.*, p. 210; DO 114/103, p. 32.

16 DO 35/1338/N402/1/11, pp. 15-20.

17 DO 35/1142/N402/31, pp. 7-8.

18 *Ibid.*, p. 9.

Britain and three by Newfoundland.[19] Great Britain would also continue to appoint the Comptroller and Auditor-General of Newfoundland. The job of the Board would be to vet development schemes for funding, supervise the carrying out of work on approved projects, and report to both governments. Newfoundland would not be allowed to borrow externally without British agreement while the development scheme was in effect.[20] Eventually, the Commission of Government put forward a reconstruction program with an anticipated price tag of $100 million;[21] its plan was imaginative and presaged many of the developments which took place in Newfoundland in the 1950s. Assistance on this scale, the Dominions Office believed, would allow constitutional change to proceed without fear of the outcome, satisfy those parliamentarians who favoured generosity towards a gallant little ally, and bury once and for all the lingering suspicion that Great Britain had acted since 1933-34 as bailiff for Newfoundland's foreign bondholders.[22]

Cranborne was now ready to advance his brief, with its inextricably linked political and economic elements, within the British government. There he met immediate opposition from the Treasury: Great Britain simply could not pay for what was being proposed. The expenditures contemplated in Newfoundland would be mainly in Canadian dollars (Newfoundland's currency was tied to Canada's) and London was already borrowing massively from Ottawa. Great Britain's own financial situation in the post-war world would be perilous, and she would hardly look credible in negotiating loans for herself with the United States and Canada if she was simultaneously attempting to prop up Newfoundland. Great Britain had to look to her own concerns lest financial weakness endanger her position as a great power. "We have", one Treasury analysis concluded, "to face the fact that the expenditure now proposed and many other forms of expenditure may be in themselves politically and economically very desirable, but it is a melancholy fact that we cannot afford them".[23]

Cranborne resisted this approach, but the Treasury could not be moved and its view was unaffected by the coming to power of a Labour government in 1945. A new backer had to be found for Newfoundland, and Canada was the obvious candidate. What were the chances of success in Ottawa? Increasingly, the British believed they were good. Canada's stake in Newfoundland had been greatly increased by the war and the United States was now her direct competitor there. These new circumstances, the British believed, called for an active Canadian policy towards Newfoundland which would "gradually. . . build up an atmosphere of comradeship and practical co-operation in which the union of the two

19 DO 35/1342/N402/29, p. 165.

20 *Ibid.*, p. 186.

21 *Ibid.*, pp. 54-55.

22 *Ibid.*, pp. 172-86.

23 DO 35/1343/N402/32, p. 92.

countries could be seen to be in the common interest".[24] When the Canadians made informal soundings in 1945 about Great Britain's intentions in Newfoundland, Whitehall saw its opportunity. In September, P.A. Clutterbuck, a senior Dominions Office official who had served as secretary to the Amulree Commission and had remained close to Commission of Government affairs ever since, was sent to Ottawa to discuss the future of Newfoundland.[25] He did not find his Canadian hosts very forthcoming but he had a strong case. If Great Britian could not help a new administration in St. John's and Canada stood aside, American influence might well grow in Newfoundland. An understanding was soon reached. Canada would not back Newfoundland directly or indirectly through Great Britain, but she would welcome her into Confederation. Henceforth Great Britain and Canada would be as one in pursuit of this objective. Confederation, they agreed, was Newfoundland's "natural destiny".[26]

What could they do to forward their common cause? Clearly, they believed, the one thing they must not do was intervene directly in the constitutional debate among Newfoundlanders. Any hint of Anglo-Canadian cooperation to promote Confederation would be disastrous; the initiative for union had to come from Newfoundlanders themselves. It would, however, be possible for both parties to influence the development of Newfoundland opinion. Canada could do this best by welcoming any expression of interest in Confederation arising out of the national convention. If a signal came across the Gulf of St. Lawrence, Canada must be prepared to do "the handsome thing" by Newfoundlanders.[27] Great Britain could "assist" the latter "to turn their thoughts to Canada" by making clear to them that they could not rely on London for further financial help.[28] The British, of course, had another important lever in their ability to define the purposes for which the national convention would meet and the electoral procedure by which Newfoundlanders would subsequently make their constitutional choice.

The British had good cards and they played them skilfully. When the calling of a national convention was announced in Parliament on 11 December 1945, the Attlee government left itself great freedom for manoeuvre, while emphasizing to Newfoundlanders its inability to offer them much future help.[29] The convention would be an advisory body only, its job to recommend to the United Kingdom constitutional choices that might be put before the Newfoundland people in a referendum. Its views would clearly carry weight and be difficult to ignore; but it was not given final say on what would be on the referendum ballot.

24 *Ibid.*, p. 94.

25 For his report see DO 35/1347/N402/54, pp. 98-102.

26 *Ibid.*, p. 91

27 *Ibid.*, p. 101.

28 *Ibid.*, p. 102.

29 DO 114/103, pp. 54-63.

This prerogative the British kept carefully to themselves.

In the event, the national convention, which assembled in St. John's on 11 September 1946, following an election notable for its low voter turnout, decided to send delegations to Ottawa and London. The group that went to London was received politely but negatively. In offering thumbnail sketches of its members, K.C. Wheare, Fellow of All Souls and British-appointed constitutional advisor to the national convention, wrote, "I cannot believe that the resources of the Dominions Office will fail to cope easily and happily with these men".[30] They did not. British officialdom's special gift for saying no was on this occasion employed to full advantage. In effect the visit of the delegation served only to give the British another opportunity to demonstrate just how bare their cupboard really was. The delegation that went to Ottawa was accorded a very different reception. One of its members was Joey Smallwood, who had emerged among the convention delegates as the leading spokesman for Confederation. He and his colleagues were warmly received by Mackenzie King's government and returned to St. John's having worked out a possible scheme of union.

Before disbanding, the national convention recommended to Great Britain two possible forms of government for Newfoundlanders: "Responsible Government as it existed prior to 1934" and "Commission of Government".[31] When Smallwood had moved in the convention that the choice of Confederation also be recommended, his motion had been defeated 29-16. Undeterred, he had taken his case to the people, calling his opponents "twenty-nine dictators" and organizing a big petition in favour of what a majority of his national convention colleagues had spurned.[32] Much has been made of his success in this enterprise but he was really facilitating the inevitable. The British no doubt welcomed a pretext to add Confederation to the ballot but they really did not have to be persuaded to do so. Their final policy step, announced in Newfoundland on 11 March 1948, was masterful and was taken after close consultation with officials in St. John's and Ottawa, where P.A. Clutterbuck, freshly knighted, had gone as High Commissioner in 1946. The referendum would offer three choices — revised versions of the two recommended by the national convention, and Confederation. The form of words on the ballot was as follows: "1. COMMISSION OF GOVERNMENT for a period of five years"; "2. CONFEDERATION WITH CANADA", "3. RESPONSIBLE GOVERNMENT as it existed in 1933".[33] Interestingly, the formal justification advanced to the governor of Newfoundland for including Confederation did not mention the petition Smallwood had organized. Great Britain's initiative was justified because the issues involved in union with Canada had been "sufficiently clarified" to enable the people of

30 DO 35/3446/N2005/13, p. 27.

31 DO 114/103, p. 134.

32 Noel, *Politics in Newfoundland*, p. 254.

33 *Acts of the Honourable Commission of Government of Newfoundland, 1948* (St. John's, 1948), p. 49.

Newfoundland to pronounce on Confederation and because of the support this additional choice had commended in the national convention.[34] Three choices rather than two meant, of course, that a referendum might not produce an absolute majority for any one. Recognizing this and believing that majority support was crucial in so basic a decision, the British ruled that a second referendum on the two most favoured options would have to be held if the first failed to meet this requirement.

All elections hinge upon particular historical circumstances and there can be no doubt that the decisions made by Great Britain and Canada from 1945 onwards were important in establishing the framework of politics in which Newfoundlanders voted in 1948. But to influence is not to engineer. Once the form of the ballot and the procedure for voting were decided upon, Newfoundlanders were on their own and they had real choices. Rumours persist of electoral irregularities in Newfoundland in 1948, but not a shred of evidence has been produced to substantiate them. Great Britain and Canada had certainly worked together to put the choice of Confederation before Newfoundlanders but they could not and did not make that choice for them. The British were uncertain of the outcome in Newfoundland and had well-developed contingency plans to reintroduce responsible government should the vote go that way. If Smallwood's role in the national convention and in getting Confederation on the referendum ballot was perhaps less important than has heretofore been thought, there is no denying his achievement on the hustings. He did not win a "fixed" bout but a winner-take-all, bare-knuckle fight-to-the-finish. Indeed, on 3 June 1948, after the first round, he and his associates found themselves behind. On this occasion 69,400 votes were cast for responsible government, 64,066 for Confederation and 22,311 for continuing the Commission system.[35] But the result of the run-off, held on 22 July, was 78,323 for Confederation and 71,334 for responsible government.[36] These figures represented respectively 52.34 per cent and 47.66 per cent of the popular vote. Smallwood had triumphed and Great Britain and Canada had succeeded — but only just.

Is it surprising to find confirmed in the papers at the Public Record Office that Great Britain and Canada favoured a particular outcome in Newfoundland after the war? Not really. Given the substantial interests both countries had in Newfoundland, the real surprise would be to find that they did not have clearly-defined policy goals. Nor is it surprising to find that Great Britain and Canada had reached an understanding about the future of Newfoundland. Historians may not previously have known the details of Anglo-Canadian negotiations in the 1940s, but they have never doubted that Great Britain and Canada were players rather than spectators. Newfoundland's union with

34 DO 114/103, p. 143.

35 *Ibid.*, p. 191.

36 *Ibid.*, p. 192.

Canada was a complex diplomatic, constitutional and political event. It could not have been anything else and cannot otherwise be understood. Great Britain and Canada undoubtedly pursued their self-interest vis-à-vis Newfoundlanders but that too is neither surprising nor shocking. And it does not follow that because they did so they had necessarily to disregard the best interest of Newfoundland. Again, there were limits to what the British and Canadians could do to achieve their objectives. It is one thing to have the last word on what appears on a referendum ballot, as the British did in Newfoundland in 1948; it can be quite another thing to win the referendum, as René Lévesque discovered in 1980. Ultimately, in a fair and democratic electoral contest, Newfoundlanders had to decide their constitutional future themselves. If they had not wanted Confederation, they had other substantial choices before them. This was well understood at the time and should not now be obscured.

Perhaps the one real surprise at the Public Record Office is not that the British wanted Newfoundland to join Canada but that the Dominions Office for so long clung to the notion that Newfoundland could resume self-government with British financial support. Critics of Confederation and the means by which it was brought about in Newfoundland would do well to ponder the plan the Dominions Office had worked out for Newfoundland in 1944. If this had been implemented, Newfoundland might well have regained self-government but her freedom of action as an independent country would have been severely limited by the financial controls the British intended as the price for their continued support. As premiers of a Canadian province, Joey Smallwood and his Progressive Conservative successors have known no such constraints. Arguably, Newfoundland found greater independence within the loose structure of Canadian federalism than it could ever have achieved on its own. When Sir P.A. Clutterbuck made a nostalgic visit to Newfoundland in 1950, he was amazed at how fast Smallwood's government was moving economically and how far it intended to go. If the administration he had helped plan in 1944 had come into existence, things would have been very different. In effect the relationship St. John's achieved with Ottawa through Confederation was the very one that London was above all determined to avoid for itself. Newfoundland had found a backer but her backer could not necessarily control her financial course. There was no Dominions Office or Treasury in Ottawa to rein in Joey Smallwood, or Frank Moores or Brian Peckford.

All this, of course, means nothing if one believes as an article of faith that Newfoundland was the victim of an Anglo-Canadian plot. The fact that some files listed at Kew relating to Newfoundland affairs in the 1930s and 1940s remain either closed or, in one case at least, are "wanting" (in British archival parlance) will encourage such thinking. What has been held back, however, may well have more to do with personality than policy, though here there can be no certainty. On the other hand, the voluminous and comprehensive body of information that has been released lends cold comfort to those Newfound-

landers who now seem to hold a grudge against their own past and dream on of a glory that might have been but never was — before or after the upheaval of 1934. Conspiracy theories of history have a life of their own, for no amount of contrary evidence can ever conclusively refute them. After all, it is always possible to believe that the "real" evidence has been destroyed or hidden or the official record cunningly falsified, and that only when the secret archives are opened (or the long-lost diary found, and so forth) will the "true story" at last be told. Such notions are hardy perennials, especially in the case of historic events where the margin between success and failure, victory and defeat, was razor-thin, as it was in Newfoundland in 1948.

PETER NEARY