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Volume 11, numéro 1, spring 1995

URI : [https://id.erudit.org/iderudit/nflds11\\_1dc01](https://id.erudit.org/iderudit/nflds11_1dc01)

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Éditeur(s)

Faculty of Arts, Memorial University

ISSN

1198-8614 (imprimé)

1715-1430 (numérique)

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Citer cet article

Baker, M. & Overton, J. (1995). J.R. Smallwood on Liberalism in 1926. *Newfoundland Studies*, 11(1), 75–126.

## DOCUMENT

### J.R. Smallwood on Liberalism in 1926

Edited and with an Introduction by  
MELVIN BAKER and JAMES OVERTON

POLITICAL SCIENTIST S.J.R. Noel, in his 1971 study *Politics in Newfoundland*, described local politics of the early 20th century as being highly competitive, but it was "a competition between teams recruited from the same narrow elite. Elections gave the people a choice, went a popular aphorism, 'between merchants and lawyers and lawyers and merchants'. The basic power structure was therefore relatively simple," Noel wrote, "a small merchant-dominated oligarchy ruled a community in which the denominational compromise of the 1860s had crystallized into an established principle of government and denominational segregation had become an unwritten law of social organization."<sup>1</sup> In electoral contests political parties stood less on principle and more on the shifting sands of patronage to secure electoral victory.

While accepting Noel's description in broad outline, it should be added that politics had been anything but static and fixed in the first quarter of the 20th century. In particular, the labouring classes had begun to exercise power in the political arena. The Fishermen's Protective Union (F.P.U.) under the leadership of William Coaker had become an important force in Newfoundland, entering formal politics and an electoral alliance with the Liberal Party. Pressure for reform coming from organizations representing the labouring classes was strong in the period during and immediately following World War One. However, faith in the ability of the Liberal Party to deliver such reforms had all but dissipated by the mid-1920s. In

1925 Coaker was so disillusioned with his electoral coalition with the Liberal Party and party politics generally that he issued a call for a denominationally-based, appointed Commission of Government at the Annual Convention of the F.P.U. But by the mid-1920s, Coaker and the F.P.U. were largely spent forces.<sup>2</sup>

It was against this background that twenty-five year-old Joseph Roberts Smallwood<sup>3</sup> in 1926 set forth an extensive political manifesto to reinvigorate the Liberal Party so that it would position itself as the champion of the working man of Newfoundland — to become for Newfoundland what the Labour Party was for Great Britain, the defender of labour. Newfoundland in 1926 provided Smallwood with an opportunity to use the political, social and economic ideas that had been shaped by several years of study of society's problems, by his experience as a socialist journalist on newspapers in New York, and by his experience as a public speaker on behalf of the Socialist Party of America. As such, his views represent a mixture of Christian socialist and liberal thinking current in American and British circles at the time. In 1925 correspondence with the St. John's *Daily News* Smallwood declared himself a Christian Socialist who had attended lectures in New York at the Labor Temple school run by the Presbyterian Church, and at the union-operated Rand School of Social Science, which had been established in 1906 to provide general public facilities for studying aspects of socialism. The subjects he studied included "literature, philosophy, biology, history, unionism, economics, psychology, theory of government, history, constitutionalism, etc.," areas which gave Smallwood the benefits of a post-secondary education which he never obtained in the traditional institutional sense.<sup>4</sup> Smallwood was remembered by one staff member of the Rand School as someone "not interested in socialism as an end in itself, but as something that might be good for Newfoundland."<sup>5</sup> He had also read, Smallwood informed the Newfoundland public in 1925, "countless books and newspaper articles, on many dozens of subjects; I used to read at an average of a book a day, and so that my reading wouldn't be one-sided, I varied the subjects. I have some knowledge of every political philosophy or doctrine that is expounded... My temperament runs along the line of political philosophy and economics, and naturally I have read widely on them."<sup>6</sup>

His return to Newfoundland in early 1925 had been to work as a paid organizer for John P. Burke, an American labour leader and socialist friend. Burke had persuaded him to reorganize branch Local 63 of the International Brotherhood of Pulp, Sulphite and Paper Mill Workers at Grand Falls. Smallwood found at Grand Falls a local that once had 1700 members; now it had only about 100 and was declining further. He built the membership rolls up to over 900 within a few months.

Besides his efforts on behalf of Burke's International, Smallwood also had plans to establish a national union organization in Newfoundland. On April 5, 1925, he founded at Grand Falls the Newfoundland Federation of Labour, consisting of the major trade unions from that town.<sup>7</sup> In late April Smallwood visited St. John's and over the next few weeks secured the affiliation of the major city unions with

the nascent federation. Blacksmiths, typographers, boilermakers and carpenters all joined the "united front," as did both men's and ladies' branches of the Newfoundland Industrial Workers' Association.<sup>8</sup>

During 1925 and early 1926 Smallwood established himself as one of the leading lights of the Newfoundland labour movement. In his capacity as head of the Federation of Labour, he bombarded the press with correspondence on a wide range of labour-related issues.<sup>9</sup> He outlined the position of the Federation of Labour, arguing for, among other things, an unemployment insurance act, a national health bill, and laws dealing with child labour and collective bargaining. He also suggested an insurance bill for fishermen. He investigated working conditions in the mines on Bell Island.<sup>10</sup> He vigorously debated the tariff question with, among others, Herman Archibald, a Harbour Grace businessman — Smallwood taking an anti-protectionist and pro-free trade position because it would, he thought, lower the cost of living for the labouring classes. Smallwood in this period identified himself as a working class activist.

In the summer of 1925 Smallwood moved to the frontier town of Corner Brook (the site of Newfoundland's new paper mill) and organized Local 64 of the International Brotherhood of Pulp, Sulphite and Paper Mill Workers. Smallwood's next effort was to organize the 600 section-men who worked for the publicly-owned Newfoundland Railway and who had been threatened with a wage cut. Moving along the tracks on foot, by hand trolley, and by train, during September and October he signed the men up in their homes and at work; he had reached Avondale, approximately 30 miles from the capital, when he met a train going in the opposite direction, carrying officials of the railway. Threatening to close the railway down, Smallwood convinced the officials not to implement the proposed wage cut. This work accomplished, he moved to St. John's and published a weekly newspaper, the *Labour Outlook* (whose motto was "Fearless and Free"), for the members of the railway union and continued his work for the Newfoundland Federation of Labour.

The mid-1920s was a period of considerable activity in Newfoundland labour circles. Nevertheless, an editorial in the *Daily Globe* in early 1926 to the effect that Newfoundland labour had "all but been abandoned or ignored by the people we might call intellectuals" was still essentially true.<sup>11</sup> However, some intellectuals were starting to show an interest in the working classes. The creation of Memorial College had brought John L. Paton, a man with a long-established interest in worker education, to Newfoundland. Paton was concerned to bring education to the working classes, outlining his views on this matter in an address entitled "Education and the Working Man," published in the *Globe* in early 1926.<sup>12</sup>

In early January, 1926, Smallwood gave the first lecture of a series organized by Dr. James Tait for city labourers. Smallwood spoke on the Newfoundland labour movement, asserting that workers required their own labour party like their counterparts in Britain. He said that the Liberal Party had once fulfilled this role,

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but that it was no longer doing so, having become indistinguishable from the Tory party. Smallwood's lecture impressed lawyer George Ayre, who described him as "probably one of the best informed men on labour matters that there is in the country."<sup>13</sup> Ayre wrote to the press taking issue with Smallwood's position while acknowledging his considerable oratorical skills:

Mr. Smallwood, if he plays his cards well, ... has a great opportunity for good. He has already shown his rare organizing ability, his capacity for leadership, his ability as a speaker, a debater. He is young and wonderfully energetic. He seems to have all the qualifications for one who in time will become one of the leading men of the country. What a glorious prospect.

Ayre argued that the local Liberal party would meet the needs of Labour. Smallwood's response was that if the "Liberal Party will pull itself together, take earnest stock of the situation, and formulate and commit itself to principles and policies of social reform nature; and genuinely advocate them, there need never be a Labor Party in Newfoundland."<sup>14</sup> He asked "is Liberalism a mere name, a mere tradition, a mere will-of-the-wisp, something intangible, elusive, or is it something definite, concrete and apparent? Isn't it time that Liberalism answered that question?" Ayre challenged Smallwood to define Liberalism for Newfoundland. Smallwood took up the challenge.

He wrote a series of letters to the St. John's *Globe*, showing how a revived Liberal Party should act on a number of issues such as Newfoundland's pressing financial and debt situation, its agriculture and fisheries, reforms in the civil service, and education. In these letters we see Smallwood trying to reconcile socialism with the pragmatism of local politics; as he later recalled in his autobiography, "Liberalism ... with its roots set deeply down in the fishing and working classes generally, and its honourable record of taking always the side of the people, was as close as it was reasonable or practical to think the Island could get to Socialism."<sup>15</sup>

Smallwood's reference point in much of his writing about labour and politics in this period is Britain. The main problem that occupied his mind was how labour might advance its interests through political action. He was clearly impressed by the British Labour Party, defending it against its critics and detractors in the Newfoundland press. It might not be possible to create a Labour Party in Newfoundland, but it was Smallwood's hope that the Liberal Party might be pushed in the desired direction. Clearly well informed about labour politics in Britain, he had, it seems, made contact with Haden Guest, author of *The Labour Party and the Empire* (1926). Guest had announced the formation of the Newfoundland Federation of Labour in the *British Labour Weekly*, noting also that Smallwood had planned to attend the Commonwealth Labour Conference but that his plans had been cancelled because of pressure of Federation work. Smallwood was clearly interested in strengthening his links with the British Labour Party.<sup>16</sup>

Many people in St. John's were closely tuned in to political events in Britain in the period, major political issues being regularly debated in the press. The mid-1920s was a period of considerable turmoil and tension over labour issues in that country. The labour movement had divided into revolutionary and reformist camps with the formation of the Communist Party of Great Britain in 1921. Smallwood identified strongly with the Labour Party in Britain, drawing inspiration from its rise and seeing its growing popularity at the polls in the 1920s as heralding the end of capitalism by peaceful, constitutional means. The first Labour government might have been defeated by a vote of non-confidence in 1924, but its return to power was just a matter of time. The rise of the Labour Party had proved profoundly disturbing for those who feared they might have much to lose by labour gaining political power. The Russian Revolution had sent shock waves through Britain and North America. This and the political turmoil of the early 1920s fuelled a red scare very similar to that of the late 1940s and early 1950s. In Britain in the mid-1920s strenuous efforts were made to undermine public confidence in the Labour Party by linking it with Bolshevism, and the British hysteria over communism also found expression in the pages of the St. John's newspapers. The climate of the period was not a particularly favourable one for a labour activist and socialist. Nevertheless, Smallwood entered enthusiastically into debates about labour and politics in Britain. He explained the historical relationship between liberalism and labour and defended the Labour Party against accusations that it was Bolshevik. Smallwood had been forced to defend himself against charges of being a "red" laid by T.J. Foran, editor of the *Searchlight*, in 1925.<sup>17</sup>

In 1926 Smallwood became the editor of a newspaper published by his friend, Richard Hibbs. Hibbs published the *Globe*, whose editor, Harris Mosdell had been dismissed. The *Globe* was the voice of the opposition Liberal Party leader, Albert Hickman. This period of his life, which included his marriage to Clara Oates, Smallwood later recalled in his autobiography, was one of "personal happiness and strong political discontent."<sup>18</sup> As editor Smallwood enjoyed his criticisms of the conservative pro-business policies of Prime Minister Walter Monroe during the 1926 legislative session.

To supplement his income, he commenced work on a Newfoundland *Who's Who*, a volume containing short biographies of prominent public figures who paid for their inclusion in the prospective book. Hibbs agreed to print the book and share the book's profits on an equal basis with Smallwood, with whom he formed a partnership for the project. Financial difficulties in maintaining his paper forced Hibbs to stop publishing the *Globe* in 1926 and Smallwood, now without employment, at first valiantly attempted to continue the biographical project, but sold his interest in the project to Hibbs when the latter was in no hurry to complete it.

Growing restless and wishing to experience the intellectual life of English socialism, in late 1926 Smallwood left for England using funds he received from Hibbs and from the sale of a library of books he had been accumulating for the past

few years. His wife, Clara, went to live with her parents in Carbonear during his six-month English stay. In London Smallwood threw himself wholeheartedly into Labour Party politics, campaigning for the party in a North Southwark by-election and writing for its official newspaper, the *Labour Magazine*, including an explanation of "Why America has no Labour Party." In mid-1927 he was back in St. John's and acting as Secretary of the Unemployed Workers' Committee, chaired by James McGrath, a former president of the Longshoremen's Protective Union.<sup>19</sup> The same year he moved to Corner Brook to work on the *Humber Herald*.

Very little is known of Smallwood's pre-1946 writings, much of which is contained in local and foreign newspapers. Nor do we know much of Smallwood's political and labour activities during the 1930s and early 1940s. Glimpses of his activities appear in recent scholarship by Peter Neary and James Overton.<sup>20</sup> Greater knowledge of the pre-1946 Smallwood not only sheds light on his life as premier from 1949 to 1972, but also provides insight into one aspect of Newfoundland's intellectual and cultural life in the early twentieth century.

What is Liberalism?  
A Restatement of its Aims, Objects and Ideals  
by  
J.R. Smallwood

1

"My father before me was a Liberal, and so I am a Liberal."

But is that a strong justification or excuse for being a Liberal or anything else?

Your father or your grandfather doubtless believed in many things in which you cannot and do not believe. You do not feel that you are showing disrespect to your ancestors when you believe that the world is round like a globe, revolving around the sun. They believed that the world was flat and that the sun actually revolved around the earth.

Your forefathers believed in a thousand things that you to-day never could accept.

The world grows and develops. "Time makes ancient truth uncouth." In plain words, it makes many old-time ideas look foolish.

So it is a poor argument to say that you are so-and-so because your fathers before you were the same.

Again: The most hopeless people are those who have the closed mind. Before the closed mind Progress collapses. It is the open, enquiring, curious mind that makes all Progress possible.

Take particular notice of this fact: Emotion and enthusiasm are a great force. They have accomplished great things before and will again.

But both have the nasty habit of growing cold. And it is a common thing to meet men who were enthusiastic for an idea who have become just as enthusiastic against it. We call this the swing of the pendulum. The farther it swings one way the farther it must swing to the opposite.

So many people are the victims of mere emotion or sentiment unsalted or unseasoned by logic and reason.

Let a man arrive at a conclusion through rational and logical reasons, and let his INTELLECTUAL conviction become lighted and inspired by the divine spark of enthusiasm and emotion, and you have a man who will persevere and stand by his ideas against the greatest opposition.

There are many men in Newfoundland who are Liberals or Tories without knowing or being able to explain why they are one or the other.

What makes many men Liberals or Tories in Newfoundland to-day?

Habit. Custom. Tradition. Sentiment. The opinions and examples of others.

But how many men have reasoned it out for themselves? How many men are what they are because they have thought it out and arrived at their decision by passing along the road of reason and logic?

Probably very few.

Well, that is an unpromising outlook for Liberalism or progress in Newfoundland. Large masses of people in this country are not logically this or that, and at election times they can be herded back and forth by catch-cries and foolish clap-trap.

The ideal and admirable type of citizen is the one who has definite beliefs and ideas, and is able to explain his ideas, and tell why he holds them; and at the same time has an open mind ready and eager to hear new truths.

There is very little hope for Newfoundland until the people get their minds clear on the chief matters that affect and concern them.

The need of the times is for clear thinking and sound thinking. Loose talk, petty political squabbles ("picayune politics") personalities, pin-pricking — these only be-fog men's minds and be-devil the situation.

Nero fiddled while Rome burned to the ground. Shallow-minded politicians and near-politicians split hairs and talk rot and play the game of politics while our country suffers from a serious loss of blood and vitality that can only end in utter decay if the wounds are not healed.

These are not the times for playing the game of politics. That way spells disaster. The serious-minded men and women of Newfoundland are against it. The people are surfeited and filled to the point of saturation with it. No one wants it but the peanut politician.

What is needed and wanted is fearlessly honest thought about our problems. The number, variety and nature of these problems must be discovered and laid bare. The best brains of the country are required to formulate the solutions, if solutions are possible; and that is one of the discoveries to be made.



Liberalism in Newfoundland now has its golden opportunity. More important, Liberalism is faced by a stern duty. It is virile and big enough to grasp and fulfil it. To fill the role of rescuer. Liberalism must pull itself together, gird its loins, clarify its own mind, take careful stock of the situation, and make a determined and intelligent effort to rally together all the forces of progress and social reform in the onslaught against the enemy —inertia, sloth, incompetence, and lack of social vision and daring.

In a word — Liberalism must give the country a re-statement of its aims, objects, and ideals. What is Liberalism? What does it stand for? How stands it in relation to this, that and the other of the many problems crying to high Heaven for attention? What is the fundamental characteristic of Liberalism? Is it a mere name, a tradition, a sentiment, something mystical and elusive? Or is it definite and concrete and clear? Can any Tom, Dick or Harry go out to a district and call himself a Liberal and so work upon the Liberal sentiment there to elect himself to office? How can the electors tell a Liberal? Isn't Liberalism injuring itself by failing to cope with this particular problem?

What is the difference between Liberalism and Toryism?

Surely these are great questions, worthy of attention, and worthy of replies — clear, understandable replies?

At the present time the lines separating Liberalism from Toryism are blurred and indistinct. The need is for a heavy marking of those lines.

The writer, in the following series of articles, attempts to set forth a statement of principles and policies for Liberalism in Newfoundland. In his opinion Liberalism is at a crisis. It needs a new birth.

His qualifications to write what follows come from a careful reading and studying of the history of Liberalism in theory and in action. He invites the attention of all who have at heart the cause of human freedom, social progress and national betterment in Newfoundland.

(*Daily Globe*, January 26, 1926)

## 2

The laborites in the United States are fond of explaining to their audience the "difference" between the Republican and the Democratic Party. The present writer fell into the same habit. It goes like this: "Gentlemen, what is the difference between those two old parties? Is there any? Oh, yes, indeed. The same difference as between Tweedledee and Tweedledum. The same difference as between a to-ma-to and a to-mah-to." So far as Liberalism and Toryism in Newfoundland are concerned, who can deny the justice of applying that illustration here? Is there any difference between the two? If so, what is it?

Pin this fact in your hat first of all: there is a wide difference between Liberalism and the Liberal Party, or between Toryism and the Tory Party. Liberalism might be 100% good, and the Liberal Party might be very bad. The Liberal

Party might fail absolutely to represent Liberalism. The Tory Party might fail to embody Toryism.

What causes this? Simple enough. It begins when the Liberal Party, whether deliberately or unintentionally, deviates and moves from Liberal Principles. There is always this temptation. You get a man who "goes in for politics," and enters the Liberal Party with little or no understanding or love of Liberal principles and policies. He goes into the Liberal Party to get elected, and for little other reason. By and by the Liberal Party becomes packed with such politicians. Then the Party, lacking an understanding and love of Liberal principles, ceases to advocate Liberal principles and represent them. The same thing happens to the Tory Party. The parties become "opportunistic," that is to say, they grasp at anything to gain power. They are not there as Liberals, to champion Liberal principles, but rather to get into office. Once that happens, a Liberal or a Tory party or any other party begins to tread the downward path to disintegration and ruin. The Liberals in the districts follow in the wake; and, because there is no constant championship and explanation of Liberal principles, the voters, especially the younger voters, grow up without a clear understanding or love of Liberalism.

True, they remember the word, and use it. It is constantly on their lips. They never cease to talk about it. But it is only talk. It is from the lips outward. It is not rooted in the heart.

That is what makes it possible for any nondescript calling himself a Liberal to appeal to Liberal voters to be elected to power. Not having a deep knowledge and understanding of the principles of Liberalism, the Liberal voters are unable to tell a real Liberal when they see him. Many a spurious Liberal has passed himself off as the real thing, and done so successfully. Many a man has got himself elected to office by using that dodge.

Cannot every true Liberal see the truth of this, and the damage it is doing to Liberalism?

The great, outstanding, fundamental characteristic of Liberalism is its unshakable belief in democracy. It trusts the people. It believes in the people. It stands four-square for the divine right of the people to govern themselves. Toryism is the exact opposite. It distrusts the people. It has always, from the earliest times, opposed the people and denied them their true rights. Toryism's idea is to "keep the people in their places." Thus, therefore, Liberalism has always stood for the cause of education, especially popular education. Liberalism always has advocated education for the people while Toryism never believed in it and opposed it. Toryism's idea is that it is dangerous to educate the masses, for that will be sure to wake them up and cause them to demand great privileges and rights.

Just as Liberalism's belief in the rights of the people has always caused it to stand for education, so also it has caused Liberalism to advocate all kinds of popular rights. This feature of Liberalism has found historic expression in its championship of social reform.

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Liberalism's championship of social reform is the great characterizing feature that has made Liberalism stand out.

What is social reform? It is a general attempt to reform and abolish the evil conditions under which the masses of the people are compelled to live. It takes the form of popular education, free libraries, labor laws, laws for the protection of women and children, especially in industry. It also stands four-square for the idea of apportioning the burden of taxation in such a way that the burden of taxation will fall heaviest on the shoulders of those best able to bear it. For that reason Liberalism stands for direct taxation instead of indirect, because under indirect taxation it is really the poor man who bears the heaviest burden, while the rich man escapes with a burden that he doesn't feel at all as compared with the poor man's burden. Liberalism stands for an income tax, for death duties on the property of persons when they die, for land taxes, for business profits taxes, etc. That is what is meant when the words: "a Liberal budget" are used. A Liberal budget is a budget that distributes the tax burden so as to relieve the poorer man. That is why Liberalism stands for Free Trade. Protection, or high tariff, benefits the owners of industry, but at the expense of the masses of consumers. Protection places industry in a hot-house, where industry is raised like artificial flowers. Liberalism does not believe in letting the captains of industry carry on their business in their own way according to their own sweet wills, but rather believes in state-regulation of industry with the intention of protecting the rights and interests of the workers against the greed of greedy employers. Toryism believes in "free competition," allowing every man to fight for himself and make out as best he can. Liberalism stands for the policy of protecting the masses against the ever-encroaching greed of conscienceless masters of industry. The true Tory, if he really believes in Toryism, is a political anarchist. He is very doubtful of the state. He would limit the authority of the state. He doesn't believe in letting the state interfere with the owners of business and industry. "Let them fight it out between themselves," they say. The true Liberal, on the contrary believes in the state, and would give it greater power to regulate the actions of those who control the lives of great numbers of men.

Liberalism and Toryism stand at opposite poles, again, in the matter of state regulation of the other side of men's lives — their un-economic side. Liberalism believes that the state has no business whatever to regulate men's minds, and therefore stands for free speech, free press, free assembly, free organization. Toryism stands for state control of these rights. The very Tory who would faint with horror at the notion of state regulation of industry would cheerfully and sincerely legislate to control men's minds.

Well, we have brought the subject down to an understandable basis. It ought to be clear what is the underlying principle of Liberalism. Sturdy belief in democracy — not only political democracy, but industrial democracy, democracy in industry; that is it.

But that is hardly definite enough to enable a voter to tell a real Liberal from a real Tory. Nor is it meant to be. That is the general principle of Liberalism.

Where you can tell Liberalism in action is when it comes to apply that general principle in manifestoes and policies. In matters of taxation, education, labor, legislation, Liberalism will stand for the people and their rights and interests. If a Liberal Party's policy does not advocate those ideas, it is not a Liberal Party at all but something else masquerading — "jannying," as they call it in the outports — under an assumed name.

Liberalism might indeed use the words of Shakespeare in this connection:

"He that robs me of my cash steals trash,  
But he who robs me of my good name takes that  
Which not enriches him, and leaves me poor indeed."

The name of Liberalism has been dragged in the mud. It is scarcely recognizable now. It is high time to rescue it from the present degradation and place it back upon the same plane of decency and democracy where it rightfully belongs.

(*Daily Globe*, January 28, 1926)

3

The job that faces the Liberal Party in this country is the serious one of telling the people exactly for what they stand.

They have got to turn their backs upon mere pettiness and carping criticism. Criticism is good in its place. There is much to criticise — much. For all their claims at being a "business-like and efficient" government, the present administration has managed to commit more egregious and serious blunders in its brief term in office than any man could have supposed twelve short months ago. In the coming session of the House the Liberal Party will be duty-bound to buckle down to a straightforward criticism of the deeds and misdeeds of this government. The people expect it, the country expects it. Thousands of people who in all sincerity voted for Mr. Monroe<sup>1</sup> and his party, want it. Around and about the country there is the bitterest disappointment over the weak showing of this much-lauded government.

But the Liberal Party, if it is truly wise, will not fall into the trap of indulging in mere criticism. And, needless to say, they will not permit any of its members to indulge in abuse or mere personalities. There will be issues aplenty about which to raise discussions. There will be no need whatever, or time, for that matter, to deal in petty personalities. What is needed is constructive handling of the situation.

The people in any country who swing an election are what we call the "great silent vote." Every party has its partizans, and many of them are rabid partizans, who think that their party can do no wrong and that the opposite party can do no right. Such partizans, if anything, do more harm than good to their own side. It is they, and they alone, who enjoy personalities and abuse. They are so rabid — and, we might add, so vapid — that they do not need sound argument, or policy, or

principles. They cheer loudest when their own side hammers hardest at the other side.

The task that lies before the Liberal Party to-day is to reach that great silent vote. Probably, that silent vote at the present time is in a peculiar state of mind. Thousands of them voted for the present government. They are no longer enthusiastic for the government. Their feeling is one of pained surprise at being let down by the party that seemed to be, but turned out not to be, an efficient and sincere party. It is the opportunity of the Liberal Party to approach those people with argument and with reason and with policies. It is that, and that alone, that can win their faith and allegiance.

The great danger is that thousands of them may have entirely lost faith in all political parties. Thousands last election did not vote at all. Can we convince them in Liberalism lies the hope of the future of Newfoundland? Can we convince the other thousands who voted for Mr. Monroe but have become disillusioned and disappointed in him? Is their disappointment so bad as to cause them to join the ranks of the thousands who didn't have enough faith in any party last election to trouble to vote?

One great fact stands out in Newfoundland to-day, and any man with ears and eyes must have felt it: that is the lack of faith, the growing loss of belief, in political parties. It is a common thing to hear men declare that "they are all tarred with the one brush," and they wouldn't vote again for any of them. Many of them feel that the only hope for the country is some form of Commission government.

Why is this so? Surely it is due to the situation we have described in the previous two articles. The blurred lines separating the different parties; the absence of distinguishing fundamentals between them; the prominence given to abuse and personalities; and crookedness and graft and incompetence and irregularity of public life — these factors combined have undermined the respect of thousands in political parties.

In one word, can Liberalism, revived, dedicated anew to the principles of social reform, once more rally the people under the banner of Democracy in a grand onslaught against the disaster that is surely rushing upon us?

It depends on Liberalism itself.

If Liberalism is virile and healthy enough, it can do it. But in the attempt it shall require every bit of the best brains and experience and knowledge to be got. It will need to unite all the progressive forces, to provide a broad sure-moving stream into which all the currents of progress and social reform may merge.

All this postulates order and sequence. If it is to be done, it must be done in an efficient and competent manner. There is a right order in which it can be done, and that is what must be discovered. Do the right thing, but do it in the right way.

In no dogmatic spirit, but one entirely of suggestion, we suggest an order of approach to the job:

1. There must be gathered as representative a congress of genuine Liberals as is possible. This to take place, let us say, following the coming session of the House, or perhaps next fall.

2. This congress must issue to the people a re-statement of Liberal principles.

3. The congress must appoint a number of committees to go thoroughly into the various branches of the general public problem, securing all available evidence, and formulate a set of policies in full conformity with Liberal principles. These policies, hammered out on the anvil of free discussion, will constitute the Manifesto of the Liberal Party, by which it will appeal to the people, and by which it will stand or fall.

It is that great silent vote which Liberalism must seek to impress with its own sincerity and genuineness and ability to govern. To do that requires brains, and it requires sincerity. Above all, it requires a real understanding and love of Liberal principles.

*(Daily Globe, January 29, 1926)*

4

Ten great problems of major importance rise to haunt the minds of the serious people of this country. To meet the challenge they present to our intelligence is to make Newfoundland a place fit to live in. To turn from them, or refuse to face them, is to give our assent to the disaster that like creeping paralysis is reaching toward us.

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

In order of their immediate importance the ten problems may be tabulated as follows:

1. The Public Debt.
2. Retrenchment.
3. Scientific Taxation.
4. The Civil Service.
5. The Fishery.
6. Agriculture.
7. Labor.
8. Bell Island.
9. Education.
10. The Railway.<sup>2</sup>

We place the Public Debt problem first because it is the most difficult problem which the government of the near future will have to tackle.

We have got to show the people, and drive it realistically home to them, that they bark largely up the wrong tree when they blame the shopkeepers for the high cost of living in Newfoundland. We have got to show them that the taxes imposed

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by the government to collect enough money to pay the mere interest on that public debt takes nearly \$4,000,000 from their pay envelopes or other income.

More important than that, we have got to discover whether there are any ways or means of cutting down the amount of the debt, and therefore the interest, and therefore the taxes.

We have got to grip hold of this subject of retrenchment with a determination and a will that shall result in considerable savings and therefore reductions in the amount of taxes to be collected from the people for other purposes than the interest on the public debt.

We have got to avail ourselves of all the known facts of the modern scheme of taxation and public finance with a view to scrapping our present unscientific and inequitable system or lack of system of taxation and finance, and replacing it with a system which will more nearly meet the requirements of the people.

We have got to sharpen up the pruning knife — the Geddes Axe,<sup>3</sup> they call it in Britain — and, with the precision and sureness of a medical surgeon, perform an immediate operation on the whole Civil Service.

We have got to press eagerly to the rescue of our great fishery, to the end that it may, if possible, be restored to a much-desired basis of soundness and prosperity.

We have got to undertake an intelligent and informed campaign of lifting agriculture up from the hole wherein, from utter weakness, it lies.

We have got to face fairly and squarely this whole bristling question of Labor and take a stand of justice and common-sense in relation to it.

We have got to formulate, once and for all, not a patchwork makeshift in connection with Bell Island, but a definite policy that will be based solidly upon a recognition of the right of the workers there to a living wage, and the inescapable duty of the industry to bear that charge.

We have got courageously and scientifically to take up the whole question of Education — not alone from a school standpoint — but in its very broadest aspects.

We have got, finally, to decide what we are going to do in connection with the railway. We have got to take it out of politics and establish it firmly, whether under private or public ownership or control, as an efficient and paying institution.

Does the reader laugh at the magnitude of the programme? Does he sneer at the simplicity of the present writer for even supposing that those problems will ever receive serious attention? Does he suppose that there is not in the country the ability or the fearlessness required to tackle them?

But that programme is only given upon the supposition that there can be a New Liberalism banding together in a phalanx most of the sincerest and most patriotic and capable men and women of the country sharing a common Liberal viewpoint. That obviously, is a mere supposition. There may indeed never be such a thing. The political future of this country may indeed be one of steady progress toward disaster, speeded on the way by the Nero-like antics of political parties of the old school.

It can be! There IS sufficient idealism, and sincerity, and fearlessness, and ability still remaining in this British Colony to lay hold on the problems enumerated above, and work out our common political and economic salvation.

But such a thing postulates organization.

A disorganized, haphazard sentiment cannot accomplish much that is constructive.

And the need of the times is for the precise, planned, supervised, co-ordinated reconstruction that follows an earthquake or a fire in a great city.

Newfoundland entered, how many years ago it were pointless to say, upon a stage of political decomposition and economic disintegration. The odor that rises from the decaying matter in the public life of the country has turned the stomachs of thousands; other thousands are beginning to feel uneasy in the same regions. The confusion of that disintegration has bewildered the minds of men, and it is the golden opportunity of the quack with his cure-alls and panaceas.

Of panaceas the present writer has none. Of cure-alls he is unfortunately scarce. He knows no mystic "Open Sesame" that will reveal the Truth and the Light to his fellow-citizens.

The service he would render is that of indicating — merely indicating — the nature of the problems, with perhaps here and there the outline of a proposed reform or solution. He is only one: his information is limited to what one head can contain. The probability is that no economic Moses will present himself before the eyes of this country. Not that way lies our hope. Rather in the combined intelligence, the collective information, the associated endeavour of the people, will we, if at all, achieve anything in the way of political and economic Reconstruction.

In the articles that follow we will sketch an outline of each of the ten major problems given above, in the hope that our remarks may have the happy results of creating an understanding on the part of the people of the utter magnitude of the problems, and perhaps draw forth some helpful criticism from any reader.

Monday: The Public Debt.

*(Daily Globe, January 30, 1926)*

5

The Public Debt

We estimate that since 1900 the successive governments of Newfoundland have collected from the people in revenue the sum of \$130,000,000 (One Hundred and Thirty Millions).

We estimate that more than \$30,000,000 of that colossal sum was paid by the governments to the holders of the bonds of our public debt, as interest payments.

About \$29,000,000 of that \$30,000,000 was sent out of the country, never to return, because the bond-holders of our debt are citizens of the United States, Canada, and Great Britain.

In the coming 25 years the sum that we shall have to send out of the country as interest payments on our debt will be \$88,000,000.



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That is, if our public debt does not increase above its present amount. If this country borrows any more money the interest rates will automatically rise.

No matter how much, or how little we produce in the coming 25 years, \$88,000,000 of it is already ear-marked to be shipped away.

Children not yet born will have to pay their share toward that amount.

This country and its people are bound to be poorer by that amount during the lifetime of more than half our present population. No matter how hard we toil, or how inventive we are, or how we exert and apply our ingenuity, or how we develop our natural resources, \$88,000,000 of the country's wealth in the coming 25 years will not be ours at all; not for us to enjoy it. It belongs to the owners of the bonds of our public debt. It will have to be paid to them. The country will be drained of that much of its hard-won wealth.

At the end of that time, shall we then be free of this burden?

No. We shall be exactly in the same position. For the 25 years after the same thing will have to happen. Another \$88,000,000 will have to be paid. And still another \$88,000,000 will have to be paid out during the third 25-year period. That is, if the debt is not increased. If it is increased, the amount will be even greater.

Should the debt be redeemed or reduced, naturally, the interest charges will fall, and the total will fall correspondingly.

If the various governments that will be in power in the coming 25 years collect, say, on an average, \$8,000,000 a year from the people in revenue, that will be \$200,000,000 (Two Hundred Millions). Just \$112,000,000 will be kept in the country, and \$88,000,000 will be sent out.

The expenditure of the government during the fiscal year 1925-26 is \$9,533,600.

About \$3,600,000 of that has to be shipped away to the bond-holders to pay the interest charges. That much is lost to this country.

That leaves \$5,753,000 to cover the cost of all the public services in Newfoundland. Out of that amount the government must meet the expenses of: Education; Transportation (steamers, coastal boats, ferries); Communication (post offices, telegraphs, telephones); roads, highways, bridges, wharves, breakwaters, lighthouses, buoys, alarms, etc.; hospitals (general, fever, consumption, soldiers'); poor asylum, insane asylum, penitentiary; courts, police, judges; Customs service (officers, tidewaiters, clerks, revenue-cutters, buildings); pensions, military, navy, civil, old age; Agriculture; Public Charities. And all other public services.

\$5,753,000 for all that, and \$3,600,000 for interest on the public debt — that is our position in Newfoundland to-day.

The following table shows how our public debt has grown since 1900:

Year	Public Debt
1901	\$17,378,000
1902	19,644,000
1903	19,833,000

1904	20,037,000
1907	22,043,000
1909	22,371,000
1911	23,371,000
1913	29,470,000
1915	31,454,000
1918	34,489,000
1919	42,000,000
1921	49,033,000
1922	55,030,000
1923	60,456,000
1926	66,956,000

From \$17,378,000 to \$66,956,000 in 25 years is a dismaying increase.

In 1901 the interest paid on the public debt amounted to a total of \$680,000 — not much more than half a million dollars. It is now \$3,600,000.

The increase in the interest paid on the public debt is shown in the following table:

Year	Interest on Debt
1901	\$ 680,499
1902	674,414
1903	753,755
1904	801,066
1907	874,395
1911	933,115
1913	1,105,000
1918	1,951,000
1923	2,850,000
1926	3,600,000

The expenditure of the government in 1900 was the comparatively small sum of \$1,920,157. This year it is \$9,353,000.

The increase in spending by the governments in the past 25 years is shown in the following table:

Year	Spent
1901	\$1,920,057
1902	2,017,544
1903	2,087,000
1904	2,202,895
1907	2,569,000
1911	3,055,000
1913	3,803,561
1915	4,008,623
1918	5,369,455

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1921	10,949,052
1922	9,127,542
1923	9,526,433
1924	10,041,600
1925	9,177,503
1926	9,353,000

It will thus be seen that the mere interest on our public debt to-day is equal to the total expenditure of all the governments each year up to about 1912.

In Newfoundland there about 260,000 men, women and children. Each man, woman and child, therefore, is indebted to the extent of \$257.52 on account of the public debt. That, at 5 to the family, means a family indebtedness of \$1,287.60. To put it so as the more easily to be read:

Per person	257.52
Per family	1,287.60

So that the government can pay the annual interest charges of \$3,600,000 on the public debt, each man, woman and child has to pay the government each year \$13.84. That amounts to \$69.20 per family per year. Again to make it more easily read:

Per person	\$13.84
Per family	69.20

It is not because the average bread-winner or house-wife doesn't see it that it is not paid by him or her. It is paid, right enough. There is no escaping it. No matter who is Minister of Finance and Customs, he has to pay that \$3,600,000 each year; and he has got to pay it out of the general revenue.<sup>4</sup> The revenue is collected from the people, and the people pay it. When a man buys a stick of tobacco, or a pipe, or a hat, or a pair of boots, or a suit of clothes, he is paying heavily toward that \$3,600,000. When a woman pays her grocery or dry-goods bill she pays something toward it. When a child buys a bag of candy, she, too, is helping to pay the foreign bond-holder.

Our public debt is a yoke which is strangling the very life out of this country. It resembles the heavy clog which you see many dogs in some outports hauling between their four feet — it is weight which impedes his progress and, although he may grow accustomed to the weight, it is only because his spirit becomes broken and his ambition gone.

A politician, someone said, is a man who looks to the next election. A statesman is one who looks to the next generation. We need statesmen in Newfoundland to grapple with this great problem of the public debt. In to-morrow's issue we shall deal with the question of possible solutions.

To-morrow: Suggested Solution.

(*Daily Globe*, February 4, 1926)

6

Reducing The Public Debt

There are nine different ways by which the burden of a country's national debt can be reduced or eliminated:

1. The debt may be redeemed.
2. The debtor and the creditor may become one and the same person.
3. The creditor may cease to exist.
4. The debtor may cease to exist.
5. The creditor may forgive the debt.
6. The debtor may refuse to acknowledge the debt and repudiate it, in whole or in part.
7. The debtor may become bankrupt.
8. The debtor and creditor may come to a mutual arrangement to commute the debt into a different form.
9. The debtor may inflate his currency and so wipe out his debt.

There is not much chance of the government of Newfoundland and the holders of her bonds becoming one and the same. Our creditors are not likely to cease to exist. Nor are we likely to cease to exist. Our creditors are scarcely likely to forgive us our debt. We are not likely to repudiate our debt, in whole or in part. We are not likely to inflate our currency, because our debt is not held by our own people, and inflation can only work when the debt is an internal one.

That leaves just two possibilities before this country:

1. To redeem the debt according as it comes due.
2. To come to some arrangement with our creditors by which to commute the debt into some other form.

We shall consider the second possibility first.

To make the matter understandable to every person, let us put it this way: when this country wishes to borrow money, what happens is something like this: The Minister of Finance and Customs, wishing to raise, say, \$5,000,000, has bonds printed. These bonds, which in reality are like promissory notes, are in varying amounts. Some may be for \$100, some for \$500, some for \$1,000, some for \$100,000. A financial brokerage house agrees to sell these bonds to whoever will buy them. The broker gets a commission for his work in selling. The bonds are sold to individuals, who pay cash for them, the cash being received by the government immediately. The individuals then hold on to the sheets of paper, (the bonds) for ten years, 25 years, 50 years, or as long as the bond issue is sold for. Each year he clips off a coupon from the bond and collects 4 p.c. or 5 p.c. or 6 p.c. or whatever rate of interest the government has agreed to pay. When the time is up, the bond holder presents his bond and demands back the amount of money he originally gave for it. The government has to pay, or repudiate the bonds. Repudiation is rarely indulged in, as it destroys the credit of the government. If the government has not

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got the money with which to redeem the debt, or pay it back, it usually sells new bonds to other people and uses the money to pay back the first bonds. This can be repeated again and again; only, of course, it is an expensive game, as new commissions have to be paid, the cost of printing the new bonds has to be paid, and other charges have to be paid.

It is exactly as if John Jones borrowed \$1,000 from Tom Smith. John gives Tom a piece of paper with his name signed to it, promising at the end of ten or twenty years to repay the \$1,000. Tom thereupon gives John, say \$950 cash. Each year for the ten or twenty years John has to pay Tom 4 p.c. or 6 p.c. of the \$1,000. When the time is up Tom presents the note (bond) and expects to be paid \$1,000. If John cannot pay it, he borrows \$1100 from a new person, and pays back the \$1,000 to Tom. When the new person's note comes due, John has to borrow a new amount, this time probably \$1400 as well as having to pay interest all the time the note was running. This is a very expensive game.

That is exactly the position in which Newfoundland finds herself. But it is worse than that. Newfoundland has not only been borrowing to pay back her maturing debt. That would be bad enough. She has been borrowing new amounts altogether, apart from her old debts, and thus has been piling high her total indebtedness.

When Newfoundland or any other country borrows money, she does not always pay the same rate of interest. The rate varies, according to the state of her own credit. If her reputation or credit are bad in the eyes of the lenders, she will have to pay higher rates of interest. Or if the lenders are hard up themselves, or if there is a shortage of lending money, or if there is a great demand from other quarters for money, the rate of interest will be high. If there is lots of lending money, and not much demand for it, the lenders will be glad to lend for lower rates of interest. That is to say, they will charge us cheaper for the use of their money.

It may be possible for Newfoundland to make a saving in the \$3,600,000 interest she has now to pay annually on her debt.

It may be possible to do so by what is known as conversion. This is a well-known method used by many governments. Great Britain has employed this method of saving money many times. Philip Snowden,<sup>5</sup> when he was Chancellor of the Exchequer in the Labor Government, made a considerable saving by converting a number of debts. The most famous case, however, is that of Goshen<sup>6</sup> in 1888. He is the father of Consols. That is the abbreviated name of the Consolidated stock offered by him at that time.

In plain words, the meaning of conversion is this: if John Jones owes, say, fifteen different people large amounts of money, and he is paying a certain rate of interest on each loan, and that interest is rather high, he may call a meeting of the fifteen and say to them:

"Gentlemen, I owe you \$50,000 between you. I am paying some of you 5 p.c., some of you 6 p.c., some of you 6 1/2 p.c. on those loans. Naturally you prefer to

get high interest on the money you loaned me. But, gentlemen, as you know, your loans will come to an end in a few years from now. In five years' time the date of redemption (payment), will be come, and I shall then be in a position to pay you off, and you will get no more interest from me. Now, you being financiers, making your living by lending money and receiving interest, you naturally want to get interest for as long a period as possible.

"I have an offer to put before you. All of you put your heads together and agree to combine your individual bonds from me into one set of bonds. New stock will be issued by me to you, running for a period of 20 years. The interest on that stock will be lower, gentlemen, than it is now, but you will be receiving it longer and you will make a net profit. It will also come easier on me. What do you say?"

Attracted by the idea of a longer period of time to receive the interest, John Jones' creditors would be eager to take his offer. Instead of getting 5 per cent to 6 1/2 per cent for five years, they would then get 4 per cent for ten years, 3 per cent for another five years, and 2 1/2 per cent for the last five years.

Newfoundland, perhaps, might be able to make some such arrangement with her creditors.

Converting a number of bond issues into a new issue at a lower rate of duty does not directly reduce the public debt; but the saving made can be applied to a Redemption Fund which can be used later to pay off the bonds when they come due.

The first of the possibilities tabulated above, is that of redeeming (paying off) the debt according as each set of bonds comes due. One is to pay it out of the general current revenue of the government, or out of a fund saved up from year to year for that purpose. In either case it would come from the taxpayers of the country.

The other is to have some special source of revenue, apart from regular taxation, out of which to pay it off. The government might, for example, have some generous person contribute a few million dollars as a gift for the purpose. Or they might discover a gold mine and use the profits to pay it off. Or they might sell a part of its territory, such as Labrador, and use the money to pay it off.

There is another possibility which we might notice and then dismiss. That is what is known as the Capital Levy. Many people in Britain favor this. Many in France favor it. The method may or may not be good for those countries, but it could never do for Newfoundland. The idea is to place one non-recurring special tax on each possessor of money above a certain amount, just for the one year, and not to be repeated. The amount each person would pay would depend on his total wealth.

The reason this method is unsuited to Newfoundland is that we are already seriously short of capital, and the country is suffering from this shortage. To drain any of it for non-productive purposes would be fatal. Of course some will say that if it were done, two or three millions a year would be saved in interest, and that would reduce taxation and so benefit the people and therefore the capitalists. Still

the fact remains, to drain any large amount away from the scant capital of Newfoundland would be equal to performing a serious surgical operation on a very old and weak person. She would not survive the shock.

There still remains for consideration what is perhaps the most promising possibility for Newfoundland. That is to secure or create some special source of revenue (apart from regular taxation which can not possibly be increased), out of which to pay off the debt. But this is so big a proposition that we shall reserve this space for it to-morrow.

To-morrow: A Promising Possibility.

(*Daily Globe*, February 5, 1926)

7

A Possible Way Out

If Newfoundland could get a really good price for the sale of that part of the Labrador which is not necessary to our fishermen — namely, the coast — any government might be tempted to sell. We do not believe that the country would be wise to sell.

Russia sold Alaska for a song. It seemed at the time to be a bargain for her, and a white elephant for the United States. But the United States since her purchase has got back a thousand times her purchase price. The reindeer alone are three times more valuable than the price the States paid for Alaska.

We do not know precisely what natural wealth there is in Labrador. No thorough surveys have been made. For that matter, no thorough survey has been made of Newfoundland herself, not to speak of Labrador. The probability, however, is strongly in favor of there being vast natural resources in Labrador. Some day Newfoundland is going to reap great fruit from Labrador. Newfoundland would be very unwise to part with her one and only dependency.

What Newfoundland must do, so far as the public debt is concerned, is create sources of revenue from her regular revenue. The regular revenue is much too heavy now. The burden of taxation is crushing the life out of the people. It must not be increased. Not that way lies the solution of the public debt problem.

Advocates and partizans of the "Laissez faire" policy will shrink with horror from the proposals which will be made here. Those who have come to the belief that the future of this or any other country depends in large part on an increasing application of the principle of public control or ownership of monopolies will welcome them.

The proposal is to establish a Bank of Newfoundland.

This bank would be owned and operated by the government of Newfoundland.

Its profits would be ear-marked for application to the redemption of the public debt.

Apart altogether from the question of the public debt, Newfoundland has need of a local bank. We now have four Canadian banks that have been doing business since the crash of the old Commercial bank.<sup>7</sup> There is no particular objection to

their presence here. They are every bit as good as any outside banks that might come here from Canada or other countries.

But the fact remains, we need a Newfoundland bank. It is unsound business on the part of this or any other country to have its banking business in the hands of outside banks. Those who control the credit of this or any country largely control the country. It is necessary for those who control a country's credit to be thinking primarily and first of the national interests of the country, not their home banks.

We already have a Newfoundland Savings Bank.<sup>8</sup> This, however, is not a regular bank. It accepts savings from the people but turns them over to one of the other banks. That other bank invests those funds, and has the use of them. That same bank is the official bank of the government of Newfoundland.<sup>9</sup> All official funds of this country are placed with that bank — not the Government Bank.

What might be done is something like this: a new Act of Parliament could be enacted by the Assembly enlarging the scope of the Government Bank. Care should be taken in the securing of a first-class manager who was at once a good banker and an expert in the needs of the country's industry and commerce. He should be given *carte blanche* in the running of the bank. He should be paid a big salary. There should be a board of directors of a non-political nature to collaborate with him. But he should enjoy the same status as does Sir Henry Thornton,<sup>10</sup> the President of the Canadian National Railways. That is to say, he should be free from the control of politicians. A State Bank of Newfoundland could only be successful if it were absolutely free from political control. The manager should therefore be in a similar position to the Auditor General. He should be appointed for life, or during "good behavior."

The next step would be to have all government funds placed in this bank. All funds, too, of a semi-public nature should be deposited and handled there.

The State bank should be authorized to engage in the regular business of commercial and industrial banking. It should be placed upon an equality with the other banks.

The profits of this bank should, in its original charter enacted by the Assembly, be set aside to form a Redemption Fund with which to meet the maturing bonds of our public debt. Not that the profits would in a quick time be sufficiently great to pay off the debt. Over a period of time, anywhere from fifty to a hundred years, that might be accomplished.

The state bank might be augmented by a system of postal savings. The leading post offices of the country could be constituted branches of the State Bank, and authorized to receive deposits from the people. This was once done in Newfoundland, but for some reason was discontinued. It is still done in practically every other country. In some of the larger outports — such as Grand Falls, Corner Brook, the Gander when it starts, and other places, new branch buildings could be erected to do business for the State Bank.



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Newfoundland would not be the only country to have a State Bank. The Commonwealth Bank of Australia is the leading example of a State Bank. We have received word from Col. Cresswell,<sup>11</sup> a member of the South African government, that that government is now formulating plans to establish a State Bank of South Africa. In the United States the Bank of North Dakota is the great example of State banks.

It has been said that the four banks at present doing business in Newfoundland between them net \$1,000,000 a year. This, however, is not all available for reinvestment in Newfoundland. One rarely hears of these banks investing their profits in Newfoundland industries. Nor is it just to condemn them on this account. They are merely branches of larger banks. Their policy is determined for them by their home institutions.

Again, there is much to be said in favor of Newfoundland officially establishing other state institutions. For example, a factory to manufacture seal skins. If local capitalists will not undertake it, for one reason or another, the government could. The government could command the necessary capital. The leather could be prepared and turned into all kinds of articles for sale — coats, caps, slippers, gloves, vests, souvenirs, etc., etc., for which there would be a ready sale here and abroad. This would not only be a source of profit for the government, but would also furnish employment for a number of workers. There seems to be no real necessity for sending the raw skins to other countries to be manufactured. The profits of this enterprise could be ear-marked for the Redemption Fund.

Another possibility is the operation of coal or other mines. The government, after conducting a thorough survey of the coal on the West Coast, and satisfying itself that there was quantity and quality there, could buy out the private company<sup>12</sup> that now owns the property, and actively engage in the mining of this natural wealth. The country consumes hundreds of thousands of dollars' worth of coal annually. The profits of this enterprise, also, could be set aside for the Redemption Fund.

Then there might be a sugar refinery. Halifax has sugar refineries. St. John, N.B., has them. They do not grow the raw material. They import it. So might this country. If they can make a profit, so can we. Again the profits of this enterprise could be set aside for the Redemption Fund.

The question will be asked, where will the government raise the capital to start these factories. The answer is simple — sell bonds. Borrow the money. Money is easily borrowed — all too easy, indeed. We have borrowed too much already — for unproductive purposes. The money so raised would be for capital expenditure, and when so used would not only clear enough profit to pay for itself, but some to help pay for the bonds sold in the past for unproductive purposes.

There are many precedents for such action by the government. In Australia and New Zealand there are state factories, mines, industries and railways in dozens. There are State jam factories, quarries, coal and copper mines, sugar refineries,

flour mills. They pay handsomely. In Queensland the government has opened up over 100 retail butcher shops.

The public debt is a desperate problem, and its solution will have to be a courageous one. This country simply cannot stagger along under this devastating burden. It is slowly but surely sapping the strength and vitality of the people.

There are objections to these proposals outlined — barely outlined — above. But what are the alternatives? What other solutions offer themselves? And can we go along without solutions?

*(Daily Globe, February 6, 1926)*

8

Retrenchment

The people of this country must not be satisfied with a cynical smirk on the part of their rulers when the subject of drastic retrenchment and economy is mentioned. That is about all that is forthcoming now when the matter is raised. True, at election times all political parties make elaborate and exaggerated promises in that direction — but polling day is no sooner over than every government continues, if it does not intensify, the merry game of extravagance and spending.

The present government, for instance, promised the country drastic retrenchment. They would, when they got in office, undertake a thorough overhauling of the whole public service with a view to making it efficient and less costly to the tax-payers. The efficiency and economy are very conspicuous by their absence since they took office.

This country cannot go along at the present cost of overhead expenses.

There has got to be retrenchment, retrenchment reached through rigid, fearless economy.

It would be dishonest for anyone speaking or writing from the outside to describe exactly how that economy must be made. The degree of a man's sincerity when he deals with this matter can easily be gauged by the manner in which he approaches the subject.

There is only one way in which the subject can be handled, and that is the appointment of a special commission of intelligent men authorized to overhaul the entire public service with a view to discovering the leakages and recommending the necessary reforms.

That is what the British government did a few years ago. Under the chairmanship of Sir Eric Geddes a commission did this work, and the recommendations became famous under the name of "the Geddes axe." That axe fell in many unexpected places, and the savings amounted to millions of pounds a year.

While no one could state off-hand just where all of the economies could be made, any one acquainted at all with the working of public offices is familiar with many phases of the subject, and knows where thousands a year could be saved to the tax-payers of the country.

Economy and efficiency in the public service of Newfoundland are about as visible as the Swiss Navy.

Probably there is no more wasteful system of public administration — or one with so many possibilities for corruption — than in Newfoundland. This statement has not been thoughtlessly made.

There has been one golden example of how economy can be effected in public office in Newfoundland, and that was given the country by Sir W.F. Coaker<sup>13</sup> when he was Minister of Marine and Fisheries.

In tabling his Estimates for his department one session of the House he asked for something around Three Hundred Thousand Dollars. In the previous year the expenditure of that department had been around Eight Hundred Thousand, so that his saving amounted to Half a Million. How was that saving made? Chiefly by buying gasoline and kerosene in bulk, and using steel casks which saved thousands of gallons a year from evaporation, as well as enabling the department to use the casks over and over again. Great savings were also made in the bulk purchase of the material, instead of buying from any hole-in-the-wall dealer and thereby saving the series of middlemen's profits that hitherto had increased the costs of the materials. In the purchase of paint, too, more savings were made.

The Marine and Fisheries department is not the biggest spender of the public service. If that much could be saved there, how much by the same rigid and business-like methods might be saved in other departments?

Granted that \$500,000 could not be saved in each one of the departments, it is certain that considerable savings could be saved in all of them.

If, in all of the departments, \$1,000,000 could be saved, it would be equal to making a present of that much to the people of this country.

What is badly needed is a general purchasing agent whose duty would be to purchase everything that the government buys. The materials for the hospitals (there are five of them), the insane asylum, the poor asylum, the penitentiary, the lighthouses, the steamers, etc., etc., should be purchased by the one man. That man should be a thoroughly efficient man, familiar with the markets of the country and of outside countries from which we import. If necessary, this purchasing agent could import direct, instead of buying locally, and in that way more savings might be effected. Of course, where an article needed is produced locally he would be expected to give it the preference, all other things being equal.

We have got to do away with the system under which political parties regard the public service as the principal means whereby they are to reward the individuals who supported them in the political campaign which put them in office.

We have got to do away with the system under which orders for the supplying of departmental requirements are placed with clerks working in Water Street stores.

We talk about high taxes. Taxes undoubtedly are too high. But how are they to be reduced without economy and retrenchment first?

The great possibility in the way of reducing taxation is retrenchment in the public service.

We must not allow ourselves to be denied this reform. Politicians will squirm and bluff on this issue, but if the people wish for relief from the burden of taxation they must be adamant in their demand for retrenchment and economy. Reduced taxes are not possible except there be retrenchment and economy. Retrenchment and reduced taxes go hand in hand. One is not possible without the other.

Retrenchment is not possible without a determined and courageous effort on the part of the government.

The government must get a special mandate from the people to put these necessary reforms into effect. The money can be saved. It requires will-power, and it requires intelligence. But it can be done. Unless it is done, Newfoundland will surely continue along the road that is leading to financial disaster or — Confederation.

The Liberal party when it goes before the people in the next election must be prepared with a sincere promise that one of their first moves when they get into power will be the appointment of a special Economy Commission authorized to undertake a thorough and business-like overhauling of the entire public service with a view to saving \$1,000,000 to the tax-payers of the country.

At the present time the people are practically working for the government. On account of high taxes the workingman's dollar is cut in half. Half goes to him and his family, half to the government. The half that goes to the government is often squandered and wasted. They are not able to place their fingers on the exact point of wastage, but they know it is there.

The people will be very unwise if they allow next election to pass without receiving complete assurances that a Newfoundland "Geddes axe" will be sharpened and applied by the government that replaces the present one. Whatever hope people had that the present government would sharpen the axe and apply it, is long ago evaporated. The people expect little in this direction or any other direction from the present government.

In this and other respects lies the golden opportunity of the Liberal Party. Is the Liberal Party big enough to grasp that opportunity and make the most of it?

If the Liberal Party will carry out this reform, along with other reforms, they can enjoy a 12-year term of public trust in this country. If the Liberal Party before next election will pull itself together and clarify its own mind and appear before the country stripped for battle, the banner of social and political reform held high, it will sweep Newfoundland from end to end. If they then carry out their pledges they will remain in office for as long as the Liberal Party was in Nova Scotia.<sup>14</sup> The people of this country are craving good, clean government. The party that gives them that need not fear for its own future.

*(Daily Globe, February 8, 1926)*

### Scientific Taxation

The world should have to search with a fine-tooth comb to find a country with a system of taxation so unsound and so unfair as that with which Newfoundland is afflicted.

If the patients of an insane asylum were handed the diversion of formulating a system of taxation they would by popular vote endorse the present system of this country.

Newfoundland is unique in many things. Foremost in the list of distinguishing features is our system of collecting taxes from the people.

Economists and authorities on taxation the world over have agreed on one principle of taxation. Every Chancellor of the Exchequer in British history to the present time has been agreed on this great principle. It is the underlying principle of all modern systems of taxation.

That is the principle that taxes ought to be apportioned out so as to [f]all heaviest on the shoulders of those best able to bear the burden. Taxation according to ability to pay — that is the universal slogan.

In Newfoundland we have turned the principle upside down, like a pyramid on its apex, and arranged our system of taxation according to the principle that the poorer you are the heavier you are to be taxed; the better-off you are the lighter in proportion you are to be taxed.

Our taxation authorities seem determined to prove the Biblical prophesy that "the poor ye have with ye always." They have so arranged the system of taxation as to see that the poor remain poor.

In Newfoundland who can say that we are working under the principle of Free Trade, or under the principle of Protection?

There has been no definite decision on the matter. Political parties do not say whether they advocate Free Trade or Protection. To study our tariff is by no means to reveal the truth. The tariff is a hodge-podge of Free Trade and Protection. Consistency is conspicuous by its absence.

In any system of taxation, whether in this country or any other country, the taxation authorities have first to decide what is to be the unit of taxation. There are only two units of taxation: 1, Income; and 2, Expenditure.

Newfoundland is the only country in the world that raises the bulk of its revenue by levying taxes on Expenditure. Other countries raise their revenue taxing according to Income.

Income is the only sound and fair unit of taxation.

A man ought to be taxed according as he enjoys Income from the general activities of the community. All men must pay taxes. But all men do not share equally in the general economic prosperity of the community. Some enjoy better incomes than others. That is often due to their superior ability, or their greater service to the community. The cause of the difference in incomes is not germane

to the present issue. The main point is that the people do not have equal incomes. One man will spend on a week's pleasure what another man takes a whole year to earn. What fairer way, then, of taxing men than according to their incomes? Incomes must be the determining unit.

In Newfoundland we tax a man or a family according to the amount they consume. Everything you consume is taxed, and therefore the more you consume the more taxes you pay. If a poor family eats an extra meal, it pays extra taxes. If the bread-winner buys a much-needed pair of shoes for his child, he pays more taxes. He cannot buy, his wife cannot buy, without paying more taxes. A man is taxed according to the amount he buys. His income may be small, and just equal to his expenditure. That is to say, he may be earning just enough to enable him to live. His expenditure being taxed, his income is naturally taxed, because his income is the same as his expenditure.

The richer man is also taxed according to the amount he buys and consumes. But the difference in his case and that of the poor man is that what he consumes is only part of his income. He earns much more than he consumes. But he is taxed only upon his consumption, the same as the poor man. The margin goes untaxed. That is to say, that part of his income which does not go into consumption is not taxed at all. We may therefore say that the poor pay an income tax and the rich escape an income tax.

At the last session of the House the Income Tax was abolished. Under that tax the rich man's margin was taxed. There was some attempt at equalizing the burden of taxation. But the Income Tax was abolished. The reason given was that it was difficult to collect it. But only half a dozen officials were employed at the work, while in the customs service half a million dollars is spent annually. To argue that the Income Tax ought to be abolished because it is difficult to collect it is a dishonest excuse. The truth, of course, is that the present government, being made up of rich men with rich men's interests at heart, did not believe in an Income Tax because they would rather see the bulk of the revenue raised from taxes on the masses. If that is not so, why did they relieve the wealthy banks by halving the Bank Tax? Was the Bank Tax too high? Did it bear heavily on the four banks doing business here? Or was it ridiculously low?

Eight Million Dollars was the revenue collected in 1923-24, and Six Million of that was collected through the Customs. The great bulk of the revenue was therefore collected from the masses of the people — precisely those least able to pay it.

Liberalism believes in the people, and stands for the people. For that reason Liberalism is faced with the duty of formulating a system of taxation that will be sound and equitable and fair and efficient.

In the application of that system too much haste must be avoided. It is undesirable to rush things. We must appreciate the inevitability of gradualness.

The first step would be to consider the sources of revenue which are not now tapped at all. According as these are discovered a tax ought to be levied, and a corresponding reduction made in the existing customs duties. For example, consider the question of land taxes. Here is a tax in operation in every country in the world. We do not mean all land. Much land ought to go untaxed, as for example the farms being used, as well as the land upon which houses are built. Unused land ought to be heavily taxed, both to get revenue and to discourage the disuse of it. An Income Tax ought to be placed on the Statute books. The Death Duties ought to be increased. The Stamp tax ought to be increased, because here we have a form of taxation that is ideal. The poor do not use many stamps, and consequently would not have to pay much stamp tax. The better-off people use many stamps, and would pay correspondingly. (In this connection we might express our conviction that there ought to be no tax whatever on newspapers or books or any form of knowledge or learning or information. This country needs little as much as it needs information).

Then the Bank Tax ought to be considerably increased. The banks can afford to pay more, and ought to be paying more.

Then a great many, if not all, of the articles now on the free list ought to be placed on the dutiable list, and made to pay duty. At the present time many millions of dollars worth of goods are imported into this country without paying a cent of duty. Those goods are mostly raw material that are used in manufacturing. It is obviously unfair to admit those free and place a high duty on the boots, clothing and food of the poor people of the country.

Then, again, more revenue ought to be collected from Excise taxes.

Industries like Bell Island, Grand Falls, and Corner Brook, and the Gander<sup>15</sup> when it starts, ought to pay a more considerable proportion of the taxes than they do. It is the height of absurdity to exempt those corporations from taxation and pile the burden high on the shoulders of our fishermen and farmers and workers and teachers, clergymen and others.

The Provinces of Canada where pulp and paper are made raise quite a bit of their revenue from taxes on forests. All of the paper-making companies of Quebec, Ontario, etc., pay large taxes on their woodlands.

Then, so far as the tariff is concerned, there should be a thorough overhauling. Articles of absolute necessity should have the duty greatly reduced. This applies to articles like food, clothing, footwear, etc. Articles not quite so necessary would pay a higher duty. Articles of luxury, or those used mostly or exclusively by the rich, should pay a high tax. Automobiles would pay a very heavy tax, since it is only fair that those who can afford to buy an automobile are naturally the ones to contribute most to the revenue.

Then there might be a special tax on gasoline or kerosene used for automobiles. When used by fishermen or other people in their work or in the homes (taxi drivers, doctors, etc.) the tax could be little or nothing. When used for pleasure the tax could be high. This system is operated in many places, including Nova Scotia.

To sum it up, let us say that Liberalism could only stand for one thing in connection with taxation and that is a re-distribution of the tax burden so as to make it fall easier on the shoulders of the middle classes and poor, and heavier on the richer classes. This is the meaning of the words "a Liberal budget." For that reason, more and more revenue must be raised from direct taxes, and from indirect taxes (duties) on articles of luxury; less and less must be raised from indirect taxes, and the duties on the things used by the poorer man must be lowered.

Two things demand such a system of taxation: 1, the fairness and equity of it; and, 2, the economic soundness of it. We have got to cheapen the cost of production in this country. We have got to enable the fishermen to buy his goods cheaper. The supplies he needs must be cheaper. The way to make them cheaper is to lower the duties on them. But to do that will create a deficit in the revenue. To make up that deficit, new sources must be discovered.

*(Daily Globe, February 9, 1926)*

10

The Civil Service

Newfoundland is one of the few remaining countries which permits its civil service to be used by politicians as a dumping ground for their heelers.

Newfoundland is thus bound to suffer in the administration of the laws and acts passed by the legislature. Just as it requires intelligent, efficient men to pass laws, so it requires men and women of ability and efficiency to carry them out.

It is not so in Britain. Nor is it so in the United States nor Canada. In those and most other countries, big and small, the method is to build up an efficient civil service through competitive examinations. For the most insignificant kind of jobs there are examinations, and all applicants are equal in the eyes of the examiners until they have undergone the set test.

There are schools in other countries that cater to the people who desire to enter upon a career in the civil service. These schools undertake to train applicants so that they may take the examinations and qualify for the job they have in mind.

In other words, the civil service of other countries is run along business lines, just as is the case with private corporations and companies. Pretty well every company in other countries to-day has a system of examination for applicants for work. In many cases they even go to the length of demanding that the applicant submit himself for a physical examination by a doctor. He has many printed questions placed before him, and unless he can answer a stated proportion of them he gets no job.

Newfoundland need never expect to have an efficient civil service until such time as she is willing to place the service upon a service basis; until the people demand to have the service closed off to heelers and others whose only "claim" on the service is that they have supported some politician or party at an election.

The first step that ought to be taken to put our civil service upon a rational basis is the consolidation of jobs.



There is hardly a settlement in the country but several of the civil service jobs could be filled by the one man where now there are two or three or four or five receiving small salaries. We are opposed to reductions in the salaries of the great bulk of the civil servants. They are, most of them, underpaid now. To reduce their pay would work hardship and still further reduce the efficiency of the service.

There are now 3,000 civil servants drawing pay directly from the government. This does not include the hundreds who receive their pay partly from the government, such as school teachers, etc.

By a determined and intelligent attempt it would be possible to reduce the number of civil servants to 2500 and thus save 500 salaries.

The second step would be the introduction of a system of examinations upon a competitive basis. Each department would have to draw up an examination list designed to sift out the brightest and most capable of the applicants. An Act would have to be passed taking out of the hands of the politicians the power to appoint men or women to the civil service. Obviously this would take some time to work properly. The same trouble arose wherever the system was introduced, but with the passing of time the system became accepted by the politicians, and to-day it would take a very powerful politician in Britain or the States or most other countries to get a man placed in the public service without passing the proper examinations.

A third step would be the introduction of a system of pension insurance. At the present time there is a multitude of civil servants on the pension list. Every incoming government dismisses a number of civil servants and places them on the pension list to make room for their own favorites or heelers. For this reason the spirit within the service is one of uncertainty and unsettlement. A man doesn't know how long he will last, and often just as he is beginning to get acquainted with his duties and be somewhat useful to the service, he is dismissed by a new government to make room for a man who has to begin all over again to learn those duties. Again, there is great discrimination in the promotion of civil servants. Real ability rarely counts in a man's favor if some politician desires to promote a favorite or a relative. This, again, breeds discontent and dissatisfaction among the workers in the service.

These reforms could be worked in spite of a government if the civil servants were organized in a strong union or protective association, as they are in every country outside Newfoundland. Through organization of the workers in the service can evolve a service spirit, an esprit d'corps. The Newfoundland Postal Telegraphers' Association is a brilliant example of this truth.

However, it would be a pretty weak course of action for a government, particularly a Liberal government, to take the line of least resistance in this important issue by leaving it to the civil service workers themselves to effect those much-needed reforms. The next Liberal government must courageously undertake the reform itself, and at the same time encourage the workers in the service to organize and then co-operate with their organization in the effecting of the

necessary changes. If they approached the civil servants in a manly spirit, they would be surprised at the amount of co-operation they would get.

The whole civil service to-day is a seething mass of discontent on account of the discrimination and inefficiency that exist there. Every civil servant knows it. Our civil servants as a whole are a fine class of citizens and they as much as anyone would be glad to see their service placed upon a firm and efficient basis.

It is only fair to Newfoundland to put these reforms into effect. The government that has the courage and determination to accomplish the happy result of reforming the civil service will deserve and get the appreciation and congratulation of the whole country. Will the Liberal Party win for itself that honor?

*(Daily Globe, February 10, 1926)*

11

**This Can Save Our Fishery!**

What can save our fishery is what saved American Agriculture, American fruit growing, American cotton growing, American stock raising, American grain growing.

What can save our fishery is what has saved Canadian Agriculture, fruit growing, stock raising and grain growing.

Co-operative marketing!

SEVEN BILLION DOLLARS' WORTH OF AGRICULTURAL AND DAIRYING AND FRUIT PRODUCE WERE CO-OPERATIVELY MARKETING IN THE UNITED STATES LAST YEAR.

Ninety per cent of the 30,000 co-operative pools in the States last year were successful. Those that were failures were the pools that were not managed according to the true principles of co-operative commodity marketing as advocated by Aaron Sapiro,<sup>16</sup> the famous American authority and originator of the system.

Like a prairie fire, this co-operative idea is sweeping over the world.

Fifty million farmers, stock raisers, fruit growers, poultry farmers, grain and cotton growers, and fishermen, are to-day enrolled in the mighty "Green International" founded by Aaron Sapiro. It exists on the North American continent, on the South American continent, in Australia and New Zealand and in Ireland.

It is only five or six years old, but the idea has gripped the minds of commodity producers the world over as no other idea has done in a century, and they have cleaved to the system as a shining star that can lead them out of the economic and financial wilderness where other systems have completely failed.

The whole world is becoming gripped with the co-operative idea.

In Great Britain 6,000,000 working men and women have built up a mighty Consumers Co-operative business. They are organized in thousands of societies and own and operate their own retail and wholesale stores. Last year those stores did a business amounting to FIFTEEN HUNDRED MILLION DOLLARS — \$1,500,000,000.

They own their own factories for producing boots and shoes, clothing, groceries, soaps, bicycles, motor trucks, coal, etc., and employ 160,000 workers in them.

They own thousands of acres of land in India and China where they grow their own tea, which they ship to England in their own liners, and store in their own warehouses in London, where they handle 1,000,000 pounds of tea a day.

They have their own members in the House of Commons, where they sit with the Labor Party and are a part of that party.

In Canada the wheat growers and farmers have organized into co-operative marketing societies, and build and own their own warehouses, granaries, wheat elevators, railway freight cars, etc. They pool their products to the amount of many millions of bushels, and do their own marketing. The [text missing from all known copies of the *Daily Globe*] The best proof of their success is that they are growing by leaps and bounds, and new societies and associations are coming into being every year.

The present writer, after a correspondence with Aaron Sapiro for some years, personally met him in New York City a year or so ago, and heard from his own lips the desire to come to Newfoundland on a visit to look over the field and work out the system of co-operative marketing for fish.

He was then on his way to Gloucester, to which place he had been called by the fishermen to draw up a co-operative marketing plan for them.

He gave it as his opinion that the principles which he advocates could be applied to this country in the marketing of her fish.

It will not be denied, except by idiots and lunatics, that the fishermen of Newfoundland are in a desperate state.

Here, then, is the cure.

A principle which has been worked out and successfully applied to such different kinds of commodities as wheat, potatoes, fish, eggs, cotton, live-stock, fruit, milk and poultry cannot but offer bright possibilities for Newfoundland's fisheries.

Obviously the thing needs careful working out, careful thought, and a thorough canvass and survey of the whole situation. To be successful it should not be rushed or pushed precipitately.

The way to go about it would be in this order:

1. The government would canvass the Board of Trade<sup>17</sup> and the fishermen on the idea, and call a preliminary meeting of both for the purpose of arranging for a great convention of all the fishing interests of the country.

2. The convention could be called in St. John's. The Board of Trade and the Fish Exporters' Association could be invited to attend. The fish merchants or dealers or suppliers who do not happen to be members of either organization would be invited. The Fishermen's Protective Union,<sup>18</sup> the Amalgamated Fishermen's Union,<sup>19</sup> and the United Fishermen,<sup>20</sup> would be invited. The South West coast and other parts of the country would be invited to send representative fishermen as delegates. The expenses of the fishermen-delegates could be borne by the government. If they came on trains or government coastal boats their fares could be free.

The government could partly bear or wholly bear their boarding expenses while in town.

3. Aaron Sapiro, having been communicated with by the preliminary meeting, would be on hand to address the convention and outline a plan of action. His travelling expenses and whatever fees he would charge would be paid by the government.

Just what form of organization they would draw up would be left [text missing] futile in this place to suggest that form. The conditions and circumstances of the country and the industry and the personnel of the fisheries would determine that.

Whatever is or is not the cure for the desperate disease that has fastened itself upon our fishery there are one or two facts that stand out clearly:

1. The fishery is in a bad way.
2. The fishery is still the mainstay and will be of the bulk of our population.
3. An unprofitable fishery reacts disastrously upon the whole country.
4. The purchasing power of our people — excepting those who work at Bell Island, Grand Falls, Corner Brook and some others — is determined by the total amount of money that comes back into the country in return for the fish we send out. Therefore it is highly important to get back the greatest possible amount for the fish we export. The things we import are paid for by the money we get for our fish.

5. While some merchants make fortunes on the exporting of fish, mostly the fish exporters do not permanently profit greatly thereby. The export business is at best an uncertain and precarious one. Most of the biggest fish firms in the country for 100 years have crashed into ruin on this account.

6. The crux of the whole matter lies in the marketing of the fish. It is the system or lack of system which decides the prosperity or otherwise of our fishery.

7. For these reasons it is imperative that this country formulate some system of scientific and orderly marketing. This is what the commodity producers of all countries have learned. Hence their efforts to evolve a system of marketing that will return them sufficient money on which to live decently.

8. Our fish at present, and for generations, has been in the devastating clutches of consignment shipping — which, in plain words, means shipping on pure speculation. No attempt whatever is made to regulate the shipments of fish. One exporter competes with another, and the upshot of this competition is glutted markets and reduced profits. The fish must be fed to the markets in an orderly and regular way. Our aim should be to maintain the regularity of the markets. This can never be done by rushing cargoes to them without regard to the quantity that may be there or on the way there.

9. The Fish Regulations,<sup>21</sup> while they contained many imperfections and crudities and weaknesses, embodied the one principle which must underlie any attempt by producers to realize a living profit on their commodities — that is to say, the orderly shipping or marketing of their goods. Sapiro calls it “merchandiz-

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ing." "We must merchandize our commodities," he explains. Many of the merchants who opposed the Fish Regulations are now convinced that the underlying principle of that attempt was sound.

10. However, the next attempt to be made must not be undertaken by the government. It is sounder to have the people actively engaged in the fishery, formulate their own system and control it themselves. The government's [text missing] calling the interested parties together, bearing the expenses of the convention, as well as those of getting Mr. Sapiro to Newfoundland. Any legislation that might be found necessary to facilitate or encourage the successful operation of whatever system is formulated, could be passed.

Admittedly, there are obstacles in the way of this outlined plan. It will be no easy thing to do it. There will be great difficulties.

But the fishery is in a desperate condition.

The effort is worth trying.

The Liberal Party stands for the progressive prosecution of our fisheries. The Liberal Party ought to adopt the principle of Co-operative Marketing, because —

IT CAN SAVE OUR FISHERY.

To-morrow: Agriculture.

(*Daily Globe*, February 11, 1926)

### 12

#### Rescuing Agriculture

Go to St. George's District and see beautiful farms closed down, the houses shuttered up, and the owners gone off to the States job-hunting and you begin to get some idea of the state into which agriculture in Newfoundland is fallen.

Go to Bonavista Bay and see the hundreds of barrels of potatoes that rot unsold in cellars, and you get further light on this situation.

Go up on the South West Coast and see whole schooner-loads of potatoes and other vegetables unloaded from Prince Edward Island, and you begin to understand something of the reason why farming is languishing in this country. Go, then, to Charlottetown and see schooners loading down to Plimsoll mark with farm produce for Newfoundland and from there visit the prosperous and blooming farms of that smiling countryside and the cause begins to dawn upon you.

Agriculture in Newfoundland is languishing and in a state of semi-starvation. Agriculture in Prince Edward Island is flourishing — largely at the expense of this country.

We import millions of dollars' worth of farm produce a year. Potatoes, turnips, cabbages, eggs, meats, butter, hay, oats — these articles, which our country is fitted by nature to produce, are being imported in quantities amounting to thousands of tons a year. Our farmers, who ought to be enjoying the prosperity which the producers of them enjoy, are struggling to keep their chins above water.

We believe, most emphatically, in some system of holding out a hand to Newfoundland agriculture to help it over the stile.

But that method has got to be scientific and sound.

First let us get at the rock-bottom of the question.

1. It is possible and desirable to have considerable agriculture carried on in Newfoundland:

(a) Because a large and prosperous farming community is a great advantage to any country. "A bold peasantry is its country's pride."

(b) Because it will increase the volume of the locally-produced goods, keep the population in the country instead of forcing it off to other countries, make it easier on the tax-payers, and generally have a healthy influence on the country's trade.

(c) Because it will keep into the country millions of dollars for local circulation that now goes to foreign countries to capitalize their industries.

2. The causes of the present unprofitable and minimized state of agriculture in Newfoundland are:

(a) The lack of markets and marketing facilities.

(b) The lack of sufficient modern methods, information and implements with which our farmers can carry on agriculture.

(c) This can be summarized under the two heads of: Marketing and Capital.

These causes are not mere local ones. They have always been the main causes of stagnation of agriculture in every country. Where agriculture has been benefitted in any country, it has been done by improving marketing facilities and increasing the amount of capital invested in agriculture.

Take the matter of marketing. Agriculture in Newfoundland is peculiarly hard hit by this phase. Why do potatoes rot in Bonavista Bay and Conception Bay, while hundreds of tons of them are being imported from Prince Edward Island? The simple explanation is that there are no special facilities, simplified facilities, whereby the producers can reach the consumers.

This would be a very simple obstacle to remove.

It could be done in either one of two ways, or by a combination of both. The producers could organize themselves, or be organized into co-operative marketing associations to do their own marketing in bulk through pools. Or the government itself, acting through practical men, could arrange the pooling and marketing of these products. Or, again, the government might co-operate with the producers by assisting them to organize into co-operative marketing associations. This is what the labor government of Queensland has done. Whether by their own efforts or with the supervision of their governments, the primary commodity producers of every country in the world — the farmers, fruit growers, dairymen — have organized themselves into co-operative marketing associations. The very potatoes and other vegetables sent here from Prince Edward Island are grown by farmers who are members of such societies. Every egg imported from that Island is sold through egg-producer's co-operative marketing associations. The same thing applies to Maine, all the Canadian provinces, and all the American States.

Now take the matter of capital. This, too, has been handled by farmers abroad in one of two ways. Some of them organize their own co-operative credit capital associations. Others avail themselves of the farm loan bureaus of their governments.

In the farming states of America, or Australia, or New Zealand, a farmer can apply to these farm loan bureaus and secure loans of capital to be invested in their farms. Low rates of interest are charged, and a long time is given for repayment.

In Newfoundland it would be a comparatively simple matter for the government to formulate a scheme for lending reasonable amounts to farmers to extend their operations and increase their production. The government would not need to clear a profit on this lending — only keep the fund solvent. Care could be exercised in lending to see that only reputable men got loans.

The government, before it even thought of settling additional farmers, should come to the rescue of existing farmers. First help them to get on their feet, then begin to work up a farm settlement scheme.

The great possibilities in agriculture in Newfoundland are indicated by the splendid success which has attended Mr. Charles White, who for a few years now has been farming on the West coast, near Stephenville Crossing. Last year he shipped to points along the line<sup>22</sup> over ONE HUNDRED freight car loads of produce from his own farm. Three or four ex-army and Navy officers who have settled nearby there and invested reasonably large amounts of capital in the shape of farming machinery are also meeting with great success. At Grand Falls station there is a Chinaman with a farm which last year produced 10,000 heads of cabbage.

In this article, where the word agriculture is used, stock-raising, dairying and fruit-growing are included. It may surprise many to learn that one industrious lady at Bonne Bay last summer grew strawberries weighing an ounce and three-quarters each.

This country never can progress until she turns into dollars every bit of natural wealth and facilities she possesses.

It is useless to leave those resources lying unused; it is sinful so to do when the country is famishing from lack of production and employment.

The proposals barely outlined above do not mention the placing of a public market place in St. John's, but that would naturally be part of the scheme. Nor do they mention the dissemination of practical information to our farmers. That also would be included.

We have got, if we would help agriculture, to assist it in a practical way. Credit and marketing are the two great heads under which that help must fall.

Liberalism stands for such practical help, and for this reason the Liberal Party next election must formulate and present to our farmers proposals that will be sincere, scientific, and practical.

To-morrow: Labor.

(*Daily Globe*, February 12, 1926)

### The Labor Question

The sincerity of Liberalism can be well gauged by the sincerity or otherwise of its stand on the Labor question.

If Liberalism were to dodge the issue and refuse to take any stand thereon, it would be ample cause for suspicion and mistrust.

Whether we like it or not, the Labor question is with us, and calls for solution.

The coming of industrialism to any country is automatically accompanied by problems peculiar to Labor. There are two ways of facing the question of Labor problems, Labor unrest, Labor dissatisfaction, or discontent.

1. Ostrich-like, to hide your head under the sand and pretend that no such question exists; or to explain the matter to yourself by the simply formula that Labor unrest is all caused by "agitators," and that the way to overcome unrest is to remove the agitators or silence them.

2. To face the question fairly and squarely, to seek to understand it, and thus to enable yourself to formulate what seem to you to be wise and adequate reforms and palliatives.

The only consistent stand which Liberalism can take on the question is the latter.

There are some facts which must become fixed in a man's mind if he would understand the Labor question:

1. Workers, with here and there an exception, are not all unlike other members of the community. They are no better and no worse than the rest of the people. Like other people, they are neither all bad nor all good. They have their prejudices, exactly as other people. They have their enthusiasms, like other people. They have their needs, like other people. They have families and homes, like other people. No man will ever get anywhere in his study of the Labor question until he firmly fixes in his mind the reality of the truth that in dealing with the workers he is dealing with very human human-beings.

2. The inherent instinct of all men, workers included, is to be dissatisfied. It is this "divine discontent" which distinguishes man from the lower creation. Man never will be satisfied. There will always be problems, wants, dissatisfactions, desires, cravings, chaotic reachings after something higher and nobler. The workers, like all others, are never, will never be, satisfied to remain in the strata into which they happen to be born. They will ever strive for higher levels, better standing of physical well-being, nobler planes of spiritual and cultural life.

3. Where specific dissatisfaction or discontent exists, in 99 cases out of any 100 it will be found to arise out of very positive causes. Those causes may often indeed be imaginary ones, or they may often be misunderstood or misinterpreted. But that, obviously, applies to capitalists and business-men and the middle-class as to workers.



4. Agitators do not and cannot, unless they be exceptionally gifted, cause discontent. At best they can only fan that discontent into flame. Their efforts never would bear any fruit, however, unless there were some causal forces at work. Workers, like any ordinary group of men, are not naturally gifted with the ability to express themselves clearly and cogently. Visit any meeting of the Board of Trade, or any group of business-men, and you will easily see how haltingly and inadequately the average man, even if he be fairly well educated, is able to express himself in words. For this reason, when workers are suffering under any particular evil or injustice, they welcome the ability of someone who can express their feelings and state their case. Of course, they must trust him; they must have faith in his motives. But he needs more than a mere ability to talk. The "agitator" who can only talk will soon lose his following, if ever he has any. To be a successful leader of the workers, a man must have the ability to speak easily in plain and understandable language, and if he has the extra ability to picture a situation so as to make it live, he is all the more useful. But his oratorical ability must be backed up by constructive statesmanship. He must have a clear mind, equipped with an understanding of men and things; he must be capable to do as well as talk. The Labor movement throws up now and then some fluent talker unsupported by real constructive ability. He is soon cast into the limbo. The man who will last is the one who is an all-round man of ability, experience, information and statesmanship.

These facts must be borne in mind by all who would grasp the Labor question.

The next fact which the seeker after understanding of the question must grasp is that Labor demands the right to organize, that Labor has discovered the need of organizing, that organization has with some exceptions been successful and fruitful of lasting results, and that the world's best minds, whether political, religious or economic, have freely admitted and even advocated the right and need of workers' organizations.

To quibble over the right or the need of sound organization of the workers is to waste time. Organization there is, and organization there will be, as long as the community is split into two great camps right and left — employers and employed, capitalist and worker, producer and non-producer. Again, the man who questions the right or the need of such working-class organization has only to look at the example which has been set the workers by other classes. Notice the Board of Trade, the Manufacturers' Association, the Importers' Association, the Retail Association, the Fish Exporters' Association, the Law Society, the Pharmaceutical Association, the Medical Association, the Dental Board, and other unions of capitalists, merchants, shop-keepers, professional men and others, and realize the fact that these groups of men with common interests have found it necessary and wise to organize themselves the better to protect and advocate their interests. These groups are composed of men who have something to sell — whether it be fish, or dry-goods, or services, or knowledge. To maintain the prices of their goods or services they organize.

As a good example of the benefits which a union of non wage-earning workers can achieve, the Fishermen's Protective Union, composed of commodity producers, may be mentioned. Fishermen are workers, but not wage workers. Their union must necessarily, therefore, differ in structure and objects from ordinary unions of wage-workers.

Are the workers, then, to be denied the same right? If organization is good for these groups, is it not good for the workers, who also have something to sell — their labor power? Are not the workers as interested in maintaining the price of their labor-power as the fish-exporters are interested in maintaining the price of their fish?

The next fact which must be got in mind when studying the Labor question is that just as all kinds of groups and special interests need special legislative concessions or encouragements or protections, so the workers need them. And here is a field which has been totally neglected in Newfoundland — the great field of social and labor legislation. Out of nearly 1,000 laws in this country 1 is a labor law. The proportion is altogether too much against the workers. More labor laws there must be. The Labor situation in Newfoundland is bound to be in a most unsatisfactory state until reasonable Labor laws shall have been enacted for their protection. When those laws were passed and in operation there would be ample room for another fifty.

In the United States, since the American Federation of Labor was founded forty-six years ago, no less than 205 special Labor laws have been enacted.

In the Dominion of Canada, since the Trades and Labor Congress was founded, forty-two years ago, 84 Labor laws have been passed.

The great Commonwealth of Australia has for half a century been a vast laboratory for social legislation. New Zealand leads the world in such laws. Over the whole world Labor laws are being enacted by the governments. At Geneva, under the official auspices of the League of Nations, there is maintained the International Labor Office whose function is the collection of such Labor laws and the formulation of model Acts for enactment by governments. The volumes which contain these laws, issued annually by the I.L.O., are ponderous affairs, and show how this great field is being filled by the governments of the world.

Without, then, dealing at too great length with this Labor question — untold millions of words have been and will be written thereon — let us summarize the situation as it concerns Progressive Liberalism:

1. Liberalism must place itself sincerely on record before the country as favoring the organization and protection of workers.

2. Liberalism must advocate official registration of trades and labor unions by the government, and the official recognition of unionism by the employers of the country, along the lines of collective bargaining. Collective bargaining must be properly legalized by Act of Parliament.

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3. Liberalism must courageously take a stand on the side of Labor and advocate the enactment of special Labor laws, not altogether, but progressively. Some of those Acts would be as follows:

A Workers' Compensation Act to replace the present inadequate and unsatisfactory one.

Unemployment Insurance Bill.

A Shops Act for the protection of shop workers.

A Seamen's Bill.

An Old Age Pension Insurance Bill.

A Factories Act.

A Child Labor Act.

An 8-Hour Day Act for some Industries.

A Minimum Wage Act.

A New Mines Regulation Act.

A Mines Inspector Act.

A Department of Labor Act.

A Women-in-Industry Act.

A Fishermen's Insurance Act.

An Anti-Contract Labor Act.

A Collective Bargaining Act.

A Legalization of Trade Unions Act.

A New Logging Bill.

A Civil Servants Pension Insurance Act.

[text missing]

A One day in Seven Rest Act.

An Industrial Arbitration and Consolidation Act.

A Rents Act.

A Housing Act.

An Anti-Profiteering Act.

A Widows' Pension Act.

These are but a few of the Labor laws required in this country [text missing] Newfoundland government would have thousands of similar laws [text missing] which to fo [text missing] and from which to derive guidance. The present writer alone has in his possession great stacks of such laws obtained from the governments of the world.

If Liberalism were to view the Labor question in a purely selfish way there would be ample reason for a friendly overture being made to Labor. However, there is all the necessary precedent for an alliance between Liberalism and Labor. Apart from the selfish motive, however, there is every principle of progress and decency to justify such an alliance, sincerely and wisely entered upon.

(*Daily Globe*, February 15, 1926)

Besco and Bell Island

The foulest injustice which is being done in Newfoundland to-day is that which the so-called "British Empire Steel Corporation"<sup>25</sup> is inflicting upon the iron mine workers on Bell Island.

On the basis of that corporation's record on Bell Island — not to speak at all of their methods in Canada — it is only the plain truth to omit the second "e" from the word Steel, and replace it with an "a".

Everyone has heard of "corporations without a soul."

Besco is, par excellence, the corporation without a soul.

There is not anywhere, even remembering the U.S. Steel Corporation, and the Standard Oil Trust, so corrupt and corrupting an organization of financiers and capitalists as this foreign corporation which has fastened its clutches so deep into the flesh of this country. Newfoundland is cursed indeed with many evils, but the greatest of these is Besco.

On Bell Island there are many billions of tons of rich iron ore. It is one of the richest mines in the world. Its value can be stated in many hundreds of millions of dollars.

For over quarter of a century these mines have been under operation. In that time many millions of dollars have been removed by Newfoundland toilers from the bowels of the earth, and shipped away from Newfoundland. Men have given their very lives in that wealth-getting process. Men have worn themselves out body and mind. Only a few weeks ago a man of over 70 years, literally died of starvation at the Mines. Young lads under twelve have entered the mines and worked a lifetime for the owners, and emerged at the end of several decades of toil bent and misshapen in body, worn out in mind, and empty in pocket. The surroundings of the place are a blot on the decency of the country.

Liberalism, if it has regard at all for humanity and the workers, must take a very courageous — and intelligent — stand on this Besco Bell Island situation.

Liberalism, if it would prove its real friendship for the working-class whose votes it would get, must clearly and positively place itself on record as undivided in its loyalty to the cause of the Bell Island workers.

In the coming session of the House of Assembly the Liberal Party must fight with might and main to kill the contract which the Monroe government has drawn up between itself and Besco.

By no chance must that contract ever be ratified and passed by the House of Assembly. Rather than allow it to pass, the Liberal Party must keep the House open until Christmas, and if the government is still bent on passing it, hold the House open until the following Christmas. The government and their friends, the British Empire "Steal" Corporation, must be balked in their designs to force the one-sided contract through the House.<sup>26</sup>

Never was there such a one-sided contract.

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Under this agreement, if passed, the corporation gets everything and gives exactly nothing.

For three years after the signing of the contract, the corporation pays no export tax whatever.

For the remaining twenty-two years of the 25-year term, they pay 10 cents a ton on all ore shipped up to 1,000,000, but get back 5 cents on each ton shipped to a British port, including Sydney. On the second million tons, if there should be a second million, they p[ay] a flat export tax of 5 cents.

The most, therefore, that the corporation could pay the government under that contract, should they actually export 2,000,000 tons, would be ONE HUNDRED AND FIFTY THOUSAND DOLLARS. That is a paltry sum. The corporation would spend as much as that in a slush fund in one year — that much to bribe and buy concessions from governments and politicians.

In addition, they get exemption from taxes that local businesses have to pay. What do they give?

They promise under the contract — and everyone knows how sacredly they hold promises! — to spend during the first five years of the contract the sum of \$750,000. On what is this sum to be spent? Increased wages for their under-paid workers? No. It is to be spent on improvements and extensions to THEIR OWN PROPERTY.

And this is the concession they are so magnificently willing to make this country!

True, they agree to spend a little of it on the building of houses for the workers IF AND WHEN DEMANDED. (Problem for bright school children: How many houses would be built?)

This proposed contract is a shame and a disgrace, and an insult to Newfoundland. It writes down its authors as simpletons of the crudest kind.

But why discuss it further. The contract is absolutely impossible and fantastic. It must never be passed.

What ought to be the policy of the Liberal Party on this Besco-Bell Island question?

In general, to show a determined front to Besco. To call their bluff. To put some of the fear of God into them. To wake them up to the fact that they are no longer dealing with a crowd of small-town yokels. To bring them to book and put them on their best behavior, to make them toe the line.

More particularly, to let them know once and for all that they will not be allowed to operate in this country at all unless they are able and willing to pay their workers a living wage in return for their labor services. A living wage to every one of their workers must be announced as the price of our permission to them to stay in Newfoundland.

But how could all this be done?

The first step, one of the very first things which the Liberal Government should do after entering office, would be to appoint a Royal Commission, headed by an appointee of the British Government (by that time Britain will likely have a Labor Government) and having some representatives of the mine workers on Bell Island, composed of intelligent and determined men, determined to stand for no nonsense from Besco.

They would be authorized by the government to make a thorough and complete investigation into the whole question of a living wage for the workers.

They would go to Bell Island and study conditions there. They would invite all workers who desired, to appear before them and state their case, giving the necessary information. They would get information on the cost of living, etc. They would examine the books of the corporation. They would summon before them the highest officials of the corporation. They would investigate the wretched spy system which has been introduced by Besco.

They would then submit their report and recommendations for the Liberal government's action. That report would undoubtedly recommend a higher wage all-round.

The Liberal government would then present those demands to Besco, with the option to them of fulfilling them or getting out.

The government should be willing to wipe out the export tax altogether in favor of higher wages for the workers.

If Besco would not accept the recommended reforms, the Liberal government should confiscate the mine properties, with just and proper compensation to the owners. The government could then hand over the mines to some new concern, **PREFERABLY A BRITISH COMPANY**, to operate and pay a rental for the use thereof. This rental would pay the interest on the bonds which the government should need to raise the money to buy out Besco.

But could another company succeed where Besco has failed?

Yes. A new company, properly capitalized and financed, headed by practical men instead of the financial jugglers and sleight-of-hand men like Wolvin<sup>27</sup> and his associates, would succeed where Besco would fail.

The present writer, after having considerable experience with Besco and the Bell Island situation, is unalterably convinced that there can be no happiness, no satisfaction, while Besco is in Newfoundland. You cannot carve a statue from rotten wood. You cannot expect to make silk from a hog's ear.

The workers on Bell Island have lost confidence in Besco. They distrust Besco. That loss of confidence and distrust have been caused by Besco's own paltry methods. To restore confidence in Besco would require a miracle. The workers on Bell Island are not likely soon to forget or forgive the fact that a rat sent there by Besco was ordered not only to spy on themselves, but upon their clergymen as well.

The workers, the clergymen, the shop-keepers, on Bell Island, are united in their utter detestation of Besco.

The public of Newfoundland does not know, and cannot realize, how rotten is this foreign corporation which was engineered and manipulated by financial sharks on Wall Street, New York. When the time is fully ripe, however, some highly interesting information will come out.

And, let it be known, all the spies and toadies and snoopers and "fixers" that Besco can manipulate both in Bell Island and in St. John's, will not be able then to stem the tide of public scorn.

"A living wage for the workers on Bell Island" must be the motto of Liberalism in its consideration of and policy on Bell Island.

(*Daily Globe*, February 16, 1926)

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#### Education

Liberalism has been the stanchest friend of popular education — education for the masses.

Just as in the United States it was the American Labor movement which gave the original impetus to popular education, so in Britain it was always the Liberal movement, and later the Labor movement, which advocated freer and fuller educational advantages for the masses of the people.

Certainly, in Newfoundland there is great need for some organization, some agency, to take a determined stand in behalf of increased facilities for popular education.

There are some 40,000 persons in Newfoundland over the age of twelve years who cannot read or write.

Newfoundland is said to be the second most illiterate part of the British Empire.

These facts speak for themselves.

They bear eloquent witness to the need for some marked changes in our educational system.

As the outstanding friend of popular education, Liberalism must take the whole subject under thorough consideration with a view to formulating a progressive educational policy — something which the country sorely lacks.

The one bright gleam in the whole dark horizon is the Newfoundland Memorial College,<sup>29</sup> and that, as everyone knows, is a monument to Liberalism and to Dr. Arthur Barnes,<sup>30</sup> who was Liberal Minister of Education.

It would ill-become an amateur to attempt to formulate an educational policy for Liberalism.

The subject must be taken hold of by experts.

The proper course for Liberalism to pursue in this connection is to call a conference of all the educational experts that are available with a view to threshing out the matter and advising as to the right methods to be adopted. The whole field must be gone thoroughly into from every approach.

There is one suggestion which an amateur might make, however, and that has to do with the possibilities of night schools.

In hundreds of our outports, for instance, it would be a comparatively simple matter for the school authorities to inaugurate a system of night schools. These ought to embrace adult education as well as minor education.

Again, there might be emulated in this country the wonderful system of working-class education that has so signally triumphed in Britain, and in Australia and New Zealand, as well as the United States.

By co-operating with the trade unions and other working-class bodies, the educational authorities could work up a system of education that would reach hundreds and even thousands of workers. In Bell Island, Grand Falls, Corner Brook and St. John's, and the Gander town when it comes into existence, this experiment could be tried out. It would have to be well organized, of course, and there would have to be a corps of volunteer educationalists and teachers.

In connection with education, it is not out of place here to mention the necessity for a Public Library.

The need of such an institution is pressing and urgent. We are probably the only country in the world without one.

It would be an incomplete article about education in Newfoundland if no mention were made of the necessity for compulsory attendance at school.

Education never can amount to much in this or any country until attendance is compulsory.

It should also be free.

It never can be free in the real sense. It must be paid for, and whether the parents pay directly to the school, or through the revenue, it must in any case be borne by the taxpayers. But the need is great to relieve parents of direct payment. Children ought to be able to attend school without the immediate payment of fees, and the state ought to contribute the necessary funds to keep the schools going. Special taxes could be levied to meet the expenses of public schools, as for example a tax on gasoline when used for any other purpose than in the fisheries, or by doctors or motor trucks, or taxi drivers. There is ample precedent for such a tax. In the great State of Texas in the United States, Governor Ferguson,<sup>31</sup> immediately after taking office, had such a tax imposed, the proceeds therefrom being earmarked for school funds.

As to non-denominational schools, ideally those are the best. Actually, however, in Newfoundland there are great obstacles in the way of such an innovation. To remove these obstacles would be all but impossible. At the best, it would require almost super-human effort to achieve.

Among non-Roman Catholic denominations it might indeed be accomplished. The Roman Catholic people of the community are united in their opposition to the proposal, and their opposition is a serious obstacle. Their wishes in the matter cannot be ignored. They are a large body of the country and it would be very unjust, and more than that, madness, to attempt to force upon them a system to which they are opposed.



At the same time, union of the Protestant school systems might be brought about. The arguments in favor of such union are apparent. The uniting of such schools would effect great savings — savings which could be applied to superior facilities and higher wages for teachers.

The educational question in Newfoundland is not as simple as it might appear. There are great obstacles that confront the educational reformer. Perhaps the solution will be found in compromise. What that compromise will be is more than the present writer can say.

Apart from the question of non-denominational schools, however there are great possibilities in the line indicated above — night schools, working-class education, etc.

What is badly needed is a policy, and that is something which can only be got from a conference of the best educational brains of the country. It is obvious that from a conference of such men as Dr. Paton,<sup>32</sup> Dr. Blackall,<sup>33</sup> Mr. S.T. Harrington,<sup>34</sup> Brother Strapp,<sup>35</sup> Mr. Wilson,<sup>36</sup> Dr. Hunter,<sup>37</sup> Mr. R. Richards,<sup>38</sup> Mr. S.P. White-way,<sup>39</sup> etc., such a policy would emanate, if they got together and worked upon the matter.

Perhaps the best step which a Liberal government in office could take in connection with education would be the appointing of a special Commission on Education, composed of these and other experts, and advised by one or two experts brought here from one of the universities in Britain for the purpose, with the instructions to go over the field and formulate a set of recommendations.

In counsel there is strength, and out of the efforts of such a commission of enthusiasts and experts great good ought to come.

At all events, the time is ripe for some good move. Action is what is required, and badly required. Newfoundland can never amount to much until her people are educated. Education is probably the greatest need that confronts the country. Improved education will bring improved politics, and improved politics will bring a greater commonwealth.

Admittedly, this subject does not form good election material. Due to the lack of interest in education, and the almost complete apathy that exists concerning it, a politician would probably not get far on a campaign platform by talking education. It might, for that reason, be better to leave the subject out of the campaign, and reserve consideration of it for post-election days. In any case, if it were dragged into an election campaign, it would probably become a political football, with all kinds of slogans and catch-cries, such as "Godless schools," etc., bandied about.

One thing will not be denied by all intelligent lovers of the country, by all democrats, and that is the urgent need for an educational policy for Newfoundland.

(*Daily Globe*, February 18, 1926)

## Notes to Introduction

<sup>1</sup>S.J.R. Noel, *Politics in Newfoundland* (Toronto, University of Toronto Press, 1971), p. 25.

<sup>2</sup>Ian D.H. McDonald, "To Each His Own: William Coaker and the Fishermen's Protective Union in Newfoundland Politics, 1908-1925 (St. John's, Institute of Social and Economic Research, 1987), p. 133.

<sup>3</sup>For details on Smallwood, see the following sources: Joseph R. Smallwood, *I Chose Canada* (Toronto, Macmillan, 1973); Richard Gwyn, *Smallwood: The Unlikely Revolutionary* (Toronto, McClelland and Stewart, 1968); Frederick W. Rowe, *The Smallwood Era* (Toronto, McGraw-Hill Ryerson, 1985); Harold Horwood, *Joey: The Life and Political Times of Joey Smallwood* (Toronto, Stoddart, 1989); and Melvin Baker, "Joseph Roberts Smallwood," *Encyclopedia of Newfoundland and Labrador*, vol. 5 (St. John's, Harry Cuff Publications Limited, 1994), pp. 208-15.

<sup>4</sup>*Daily News*, 4 May 1925.

<sup>5</sup>Richard Gwyn, *Smallwood: The Unlikely Revolutionary* (Toronto, McClelland & Stewart, rev. ed., 1972), p. 29.

<sup>6</sup>*Daily News*, 8 May 1925.

<sup>7</sup>L. Haden Guest, "Labour's Youngest," in the *British Labour Weekly* reprinted in the *Daily Globe*, 8 February 1926. Unions represented were locals of the Brotherhood of Paper Makers, the Brotherhood of Electrical Workers, the Amalgamated Tradesmen's Union, the Brotherhood of Pulp, Sulphite and Paper Mill Workers, the Order of Railroad Telegraphers, and the Grand Falls Co-operative Society.

<sup>8</sup>*Daily News*, 1, 2, 6, 8, 9 May 1925.

<sup>9</sup>For example, in May 1925, in his capacity as President of the N.F.L., he published articles in the St. John's Press which set out the basic position of the Federation, discussed tariff and tax issues and outlined the urgent need for labour laws to protect workers' interests. Later he took a particular interest in the British Empire Steel Corporation and Bell Island, organizing a campaign to press for repeal of existing workers' compensation legislation and its replacement with legislation similar to that operating in Australia, Ontario or North Dakota.

<sup>10</sup>See the *Daily Globe*, 9 January 1926, for example, for his condemnation of working conditions at the iron ore mines on Bell Island.

<sup>11</sup>*Ibid.*, 24 February 1926.

<sup>12</sup>*Ibid.*, 28 January 1926. See also James Overton, "Adult Education and Ideology: Unemployment and the Politics of Self-Help in Newfoundland Between the Wars" (paper presented to the Eighth Biennial Conference of the Canadian History of Education Association, 16 October 1994, Memorial University).

<sup>13</sup>*Daily Globe*, 14 January 1926.

<sup>14</sup>*Ibid.*, 18 January 1926.

<sup>15</sup>Joseph R. Smallwood, *I Chose Canada* (Toronto, Macmillan, 1973), p. 164.

<sup>16</sup>Guest was involved with the Commonwealth Group that had been formed within the parliamentary Labour Party to study the problems of the British Commonwealth of Nations.

<sup>17</sup>See James Overton, "Economic Crisis and the End of Democracy: Politics in Newfoundland During the Great Depression," *Labour/Le Travail* 26 (Fall 1990), pp. 85-124.

<sup>18</sup>Smallwood, *I Chose Canada*, p. 164.

<sup>19</sup>See Provincial Archives of Newfoundland and Labrador, GN2/5, Special file of the Colonial Secretary's Office, file 485, "Unemployment 1927," Colonial Secretary J.R. Bennett to James McGrath and J.R. Smallwood, 19 May 1927. On McGrath, see Robert Cuff, Melvin Baker, and Robert D.W. Pitt, eds., *Dictionary of Newfoundland and Labrador Biography* (St. John's, Harry Cuff Publications, 1990), p. 209.

<sup>20</sup>Peter Neary, *Newfoundland in the North Atlantic World, 1929-1949* (Kingston and Montreal, McGill-Queen's University Press, 1988); Elliott Leyton, William O'Grady, and James Overton, *Violence and Public Anxiety* (St. John's, Institute of Social and Economic Research, 1992), pp. 279-89; James Overton, "Public Relief and social Unrest in Newfoundland in the 1930s: An Evaluation of the Ideas of Piven and Cloward," in Gregory S. Kealey, ed. *Class, Gender, and Region: Essays in Canadian Historical Sociology* (St. John's, Committee on Canadian Labour History, 1988), pp. 160-61; and Melvin Baker, Introduction to "Tramping 100 Miles on the West Coast: Every Mile a Revelation to One who hiked the District for the First Time" by J.R. Smallwood in *Newfoundland Quarterly*, vol. LXXXIX, no. 2 (Winter 1994-1995), pp. 20-5. An interesting glimpse of Smallwood in the late 1930s and his quest for social respectability is his inclusion in a Canadian biography of prominent individuals. See *The Canadian Who's Who, 1937-1938* (Toronto, Trans-Canada Press, 1939), p. 618. Smallwood listed his recreations as reading, debating, and foreign affairs.

## Notes to Document

<sup>1</sup>Walter S. Monroe (1871-1952); businessman, owner of the Colonial Cordage Company, and fish exporter; prime minister, 1924-1928.

<sup>2</sup>The railway article apparently was not published.

<sup>3</sup>This refers to Sir Eric Campbell Geddes (1875-1937) who was Unionist MP for Cambridge borough from 1917 to 1922 and chairman of the committee on the national economy from 1921 to 1922.

<sup>4</sup>Newfoundland's main source of public revenue came from a tariff on imported goods.

<sup>5</sup>Philip Snowden (1864-1937); British Labour Member of Parliament and chancellor of the exchequer, 1924.

<sup>6</sup>This was George Joachim Goschen (1831-1907). He was British chancellor of the exchequer from 1886 to 1892 and in 1888 had the national debt converted from three per cent to 2½ per cent stock.

<sup>7</sup>The Commercial Bank was founded by St. John's businessmen in 1857. It failed in 1894.

<sup>8</sup>The Savings Bank was established in 1834 by the Newfoundland government as a repository for residents to invest their savings at low but guaranteed interest rates.

<sup>9</sup>This was the Bank of Montreal whose headquarters was in Montreal, Quebec.

<sup>10</sup>Sir Henry Thornton was chairman of the board of directors and president of Canadian National Railways.

<sup>11</sup>Frederic Hugh Page Cresswell (1866-1948); mining engineer and statesman; and minister of labor, 1926, South Africa.

<sup>12</sup>This was the St. Georges' Coal Fields, Limited.

<sup>13</sup>William Ford Coaker (1871-1938); founder of the Fishermen's Protective Union in 1908; and minister, marine and fisheries, 1919-23.

<sup>14</sup>The Liberal Party in Nova Scotia governed for 43 years until its electoral defeat in 1925.

<sup>15</sup>There had been various efforts to establish a pulp and paper mill on the Gander River. See James Hiller, "The Politics of Newsprint: The Newfoundland Pulp and Paper Industry, 1915-1919," *Acadiensis* 19, no. 2 (1990), pp. 3-39.

<sup>16</sup>Aaron Sapiro was active in the 1920s in promoting the establishment of agricultural associations in the United States and in helping organize wheat pools in Canada.

<sup>17</sup>The Board was established in 1909. To date there has been no study of the role of the Board of Trade in shaping Newfoundland's economic and fiscal policies, especially in the pre-1949 period when decisions made by the Board determined policies in the fisheries in particular.

<sup>18</sup>This union was formed by William Ford Coaker in 1908.

<sup>19</sup>This union was established in 1919 by Alfred Morine for the fishermen and labourers of St. John's. See Robert Cuff, "Fishermen of St. John's, Amalgamated," in *Encyclopedia of Newfoundland and Labrador*, vol. 2 (1984), p. 177.

<sup>20</sup>This union was established in 1922 by fishermen from Bonavista Bay under the chairmanship of Captain Jesse Winsor of Wesleyville. See Robert Cuff, "Fishermen's Movement, United," in *Encyclopedia of Newfoundland and Labrador*, vol. 2, p. 180.

<sup>21</sup>The regulations were part of the legislative efforts by William Coaker as minister of marine and fisheries in the early 1920s to bring the export of fish under greater central control of the government. See McDonald, "To Each His Own".

<sup>22</sup>The line is the Newfoundland Railway, completed across the island from St. John's to Port aux Basques in 1897.

<sup>23</sup>The article was numbered twelve in the *Daily Globe*.

<sup>24</sup>The article was numbered thirteen in the *Daily Globe*.

<sup>25</sup>This corporation was formed in 1921 from a merger of the Nova Scotia Steel and Coal Company and the Dominion Iron and Steel Company, which had operated mines at Bell Island since the 1890s. See Valerie Summers, *Regime Change in a Resource Economy: The Politics of Underdevelopment in Newfoundland since 1825* (St. John's, Breakwater, 1994), p. 78.

<sup>26</sup>Besco was unhappy with the contract its predecessor companies had negotiated in 1920 with the Newfoundland government whereby it was required to construct a smelting plant in Newfoundland. It also wanted the removal of the export tax on iron ore shipped from Newfoundland. For several years, it unsuccessfully attempted to have the 1920 contract amended and on occasion closed the mines temporarily to force the government not to collect the export tax. In 1926 the Monroe Government considered legislation giving Besco the concessions it sought, but instead enacted special legislation giving the company exemption from the tax for that year. A new 20 year-contract was signed with the company in 1928 whereby the government introduced an export tax the company found amenable as well as removed any obligation on the part of Besco to construct a smelter. See Summers, *Regime Change*, pp. 85-6.

<sup>27</sup>Roy Mitchell Wolvin was president of the Montreal-based British Empire Steel Corporation.

<sup>28</sup>The article was numbered fourteen in the *Daily Globe*.

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<sup>29</sup>The college was established in 1925 to provide the first two years of post-secondary education.

<sup>30</sup>Arthur Barnes (1866-1956); educator; minister of education 1920-24, and colonial secretary, 1928-32.

<sup>31</sup>James Edward Ferguson (1871-1944); lawyer and governor of Texas, 1914-1917. "Farmer Jim" was popular with rural voters for his strong support of rural education.

<sup>32</sup>John Lewis Paton (1863-1946); educator, president, Memorial University College, 1925-33.

<sup>33</sup>William Walker Blackall (1864-1943); educator; Church of England superintendent of education, 1908-33.

<sup>34</sup>S.T. Harrington (1875-1943); educator; principal Methodist College in St. John's, 1904-1927.

<sup>35</sup>P.V. Strapp, a Christian Brother teacher and member of the Council of Higher Education. See Ralph L. Andrews, *Integration and other Developments in Newfoundland Education, 1915-1949* (St. John's, Harry Cuff Publications, 1985), p. 99.

<sup>36</sup>Andrew Wilson was the Inspector of Presbyterian Schools and a member of the Council of Higher Education. See *Year Book and Almanac of Newfoundland, 1926* (St. John's, 1926), p. 169, and Andrews, *Integration*, p. 99.

<sup>37</sup>Alfred Collinson Hunter (1892-1971) was a professor of modern languages at Memorial University College.

<sup>38</sup>Robert Richards (1873-1947); educator; president, Newfoundland Teachers' Association 1910-11, 1913-19, secretary, 1924-41.

<sup>39</sup>Solomon Pardy Whiteway (1868-1950); educator; principal of the Normal School at St. John's, 1920-33.