

**CITIZEN PARTICIPATION AND PUBLIC POLICY
IN RURAL DEVELOPMENT:**

**THE RURAL DEVELOPMENT ASSOCIATION MOVEMENT
IN NEWFOUNDLAND AND LABRADOR**

by

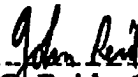
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**A thesis submitted to Saint Mary's University in partial fulfillment
of the requirements for the Degree of Master of Arts**

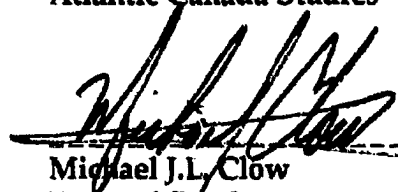
June, 1992



Henry Veltmeyer
Supervisor



John G. Reid
Co-ordinator
Atlantic Canada Studies



Michael J.L. Clow
External Reader



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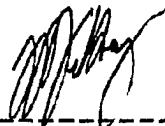
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ABSTRACT

This thesis is a study of the rural development association movement in Newfoundland and Labrador from its roots in the late 1960's through to the late 1980's. To provide an overall context it first examines the patterns of underdevelopment in both the pre-Confederation and post-Confederation periods to determine the long-term historical factors and the immediate conditions from which the movement emerged. The movement is then examined in terms of its immediate origins, composition, ideology, activities and relationship to the state. Attention is drawn to the complex of class relations, in particular the role of the petit-bourgeoisie new class elements that were expanded during the industrialization and modernization period in which the movement emerged. The movement's career is traced from a collection of organizations mobilized to resist the state development policies through a period of state supported expansion and growth to its eventual phase of institutionalization.

The movement's composition and ideology is addressed in terms of how these interrelationships contributed to the movement's eventual co-option. The movement's relationship to the state, while expressed in terms of a partnership, is seen to be for all intents and purposes a dependency relationship; whereby the movement acts as an administrator of state programs and policies designed mainly to temporarily alleviate chronic unemployment rather than contribute to a comprehensive program of rural development.

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CHAPTER ONE

POSING THE PROBLEM

I. INTRODUCTION

Throughout this century and especially since Confederation with Canada in 1949 Newfoundland has pursued the dream of development on a grand, if somewhat quixotic scale. However, attempts to relieve the province's underdeveloped status through industrialization and mega resource development schemes have generally met with either outright failure or massive resource giveaways and concessions to outside capital. The province's position within Confederation remains at the extreme in terms of regional disparities in employment opportunities, levels of unemployment and income and dependency on federal coffers.

The 1960's in particular were a period of intense activity with both the federal and provincial governments pursuing a series of public policy initiatives and strategies for economic development that while not particularly successful in reaching their stated goals did necessitate a major upheaval and enforced resettlement of rural people on an unprecedented scale. At the same time and in response to these state initiatives as well as to the general conditions of underdevelopment, there emerged a struggle for rural development and the formation of rural social movements.

The major organizational form of these movements was the rural development association movement which began in the latter 1960's and by 1975 had grown to twenty-nine associations with 342 locally elected voluntary directors. Today there are fifty-five

associations operating across the province with 1200 elected directors and claiming to represent some 515 communities with a population of 246,000 rural people. While the rural development association movement has contributed one of the major popular responses to underdevelopment in the history of Newfoundland, it has not been able to reverse the continuing rural decline. It is the purpose of this study to investigate the social and political dynamics of the movement for both documentary purposes and for the light it sheds on the nature and development of social movements of its type.

II. THEORETICAL CONSIDERATIONS

The study of the history and nature of social movements raises a number of questions which are subject to interpretation within different theoretical perspectives or that remain unsettled despite the voluminous literature on social movements. These questions relate mainly to the origins of a social movement, its composition, ideology and relationship to the state. In addition to these, the concepts of underdevelopment and populism are also relevant to this study.

i) Origins of a Social Movement

It is generally accepted that social movements arise as a popular response to conditions of relative deprivation or inequality generated by the structure of society and that operate on people depending on their position or place in society. Within this structuralist framework there are essentially two approaches related to considerations as to the essential cleavages in the social structure. Analysis takes the form of identifying these cleavages within a society that help create the conditions for a social movement to

emerge. These conditions are both objective and subjective.

The first of these approaches is rooted in the Weberian theory of social conflict based on the proposition that conflict "is ubiquitous and found in every society"¹ and this conflict is based upon the unequal distribution of rewards within a society, especially power. Groups in power tend to pursue strategies to consolidate or extend their power to the exclusion of other groups in society. These exclusionary lines or cleavages can exist in almost any institutional context perhaps most notably race or religion but can also extend to culture or even regionalism.²

The neo-Weberian tradition is best represented in Canada in the work of S. D. Clark.³ He utilizes the principle of perceived institutional deficiency - "a condition wherein people are discontented because they do not believe that there exists satisfactory institutional guides (values, norms and/or leaders) to direct their behaviour."⁴ Social movements emerge when there is a collective dissatisfaction leading to mobilization. The degree of existing social segmentation is an essential component in that the more segmented a society is the more likely it will experience social movements. This segmentation will also likely determine the social base of most movements. Clark's analysis leads him to suggest that in the Canadian context, ethnic, regional and rural-urban cleavages have been more pronounced than class cleavages and that social movements in Canada have generally conformed to these major lines of segmentation.⁵

In the alternate Marxist framework the analysis and theoretical focus is on the relationship of individuals to the means of production. The essential cleavages in society are rooted in the class system based on the social organization of production and it is this

are rooted in the class system based on the social organization of production and it is this which creates the objective conditions for class conflict. Within the capitalist mode of production there are basically two classes; the bourgeoisie who own the means of production and who purchase the labour power of others; and the proletariat who do not own any means of production and must sell their labour power in order to live. The bourgeoisie exploits the proletariat and this exploitation is the basis of the social relations. However these objective conditions for class conflict do not of themselves cause a movement for change to occur. There must be the development of a 'a class for itself' a class consciousness of itself as such before a movement for change can occur.⁶

In most peripheral areas, and particularly in the context of Atlantic Canada, the capitalist mode of production has not completely penetrated the area and a pre-capitalist mode of production - the domestic or petty commodity mode of production continues to exist. The classic capital/labour class struggle within the capitalist mode of production is juxtaposed with the domestic mode of production so that there is a conflict between modes of production as well as within the capitalist mode of production. Thus there exists a more complex and variegated social structure and the conditions for conflict and for the emergence of social movements are enhanced.⁷ In this context social movements relate to the struggles waged by workers and small producers against the major owners of the means of production.

Obviously the conditions that give rise to a social movement are exceedingly complex and are both historically and structurally determined. Within the Weberian framework there is no necessary ideological or political dimension, and analysis simply

takes the form of empirical examination. Within the Marxist framework it is posited that the objective conditions of class conflict combine with the ideological or political expression leading to class consciousness and the emergence of a social movement. We will examine the rural development association movement in these terms.

ii) Underdevelopment

Of particular importance to this study, and indeed of all studies of social movements in peripheral societies, is the concept of underdevelopment. Approaches to and explanations of development and underdevelopment are rooted in one of two paradigmatic structures: The orthodox (or liberal paradigm) and the political economy paradigm.⁸ These paradigms contain the fundamental unquestioned assumptions about the society and economy as a whole. Within the orthodox paradigm, the dominant approach to and explanation of underdevelopment is modernization theory. Within this framework underdeveloped countries (or regions) are viewed as areas that were simply left behind on the path to development. The form of analysis and policy prescription is on removing obstacles to development located in the traditional society - usually seen as lack of capital, natural resources, entrepreneurial skill or an orientation to values inappropriate to growth and development.⁹

Within the political economy paradigm there are two basic theoretical frameworks. One is dependency theory which conceptualizes both development and underdevelopment as arising from structural conditions of one system based on the worldwide development of capitalism.¹⁰ Underdevelopment in peripheral countries (or regions) comes about as a result of the relationship of these countries (or regions) to core

capitalist countries (or regions). Thus development and underdevelopment are not natural conditions on the historical road to progress but are a created condition of the worldwide spread of capitalism.

The other basic theoretical framework within the political economy paradigm is Marxism¹¹ which rejects the dependency school's essential notions of core-periphery and its focus on external relations in favour of the relations of production and associated class struggles. As suggested by Brym and Sacouman¹² these struggles will tend to be more complex in the peripheral areas due to the incomplete nature of the capitalist penetration and the conflict between modes of production as well as within the capitalist mode of production.

In this study we will examine the conditions of underdevelopment that exist in Newfoundland in both general historical terms and in terms of the specific conditions which led to the emergence of the rural development association movement in the late 1960's.

iii) Composition

Another set of questions raised by the study of social movements relates to their composition both in terms of the base - its members and supporters and its leadership. Within the Weberian framework this question comes down to an examination of the social segmentation as indicated by the major social cleavages in the society. Thus ethnicity, social class, gender or regionalism or other such factors that relate to social groups provide the basis for examining a particular social movement's membership, and analysis takes the form of empirical examination.

Within the Marxist framework the question invariably comes down to an issue of class alliances, with most movements seen to depend on an alliance forged between workers and producers cemented together by elements of the petit-bourgeoisie class who often provide the leadership and ideology.¹³ In some cases, when strong regional or sub-national sentiments are involved, the alliances have also included elements of the propertied class, the bourgeoisie, as well.¹⁴

The issue of class is of fundamental concern to the understanding of social movements within the Marxist framework. In some instances social movements have been analyzed in terms of political organization and mobilization from the point of view of the petit-bourgeoisie class.¹⁵ Others tend to emphasize the multi-class character of social movements, with workers and producers tied together by the petit-bourgeoisie.¹⁶ In most cases, the central issue of debate revolves around the petit-bourgeoisie and considerations as to whether this class can act in its own interest, the relationship between the traditional petit-bourgeoisie, and the 'new' petit-bourgeoisie class of managers and professionals, and the demarcation from the proletariat.

In the Marxist literature on social movements, it is generally conceded that only the two basic classes, the bourgeoisie and the proletariat, have real class ideologies that are relatively systematic and that exist in fundamental political opposition. The petit-bourgeoisie class is considered to possess an "ideological sub-ensemble"¹⁷ in that it contains some elements of an ideology but its overall coherence only exists in the particular expression of the day - in the specific struggle and the historical conditions. This helps account for the fact that petit-bourgeoisie social movements run the political

gamut from extreme left to right.¹⁸

There is considerable debate as to whether or not the 'new' and the traditional petit-bourgeoisie are members of the same class. Poulantzas¹⁹ argues that even though the new and the traditional petit-bourgeoisie are rooted in different economic conditions, because of considerations at the political and ideological level they form the same class as the material conditions of their social existence, and hence the structure of their social consciousness, is essentially the same. This conceptualization is criticized by Wright²⁰ who maintains that the ideological differences between the new and the traditional petit-bourgeoisie are greater than Poulantzas would have it and that in any case Poulantzas has made ideology too important a determinant of class, thereby undermining the essentiality of the economic sphere.

Further debate centers around the demarcation of the petit-bourgeoisie class from the proletariat. In the case of the new petit-bourgeoisie the demarcations are generally along the lines of control over labour,²¹ that of one's own and others, so that certain members, low level office workers and semi-professionals, are often considered part of the proletariat. In the case of the traditional petit-bourgeoisie the argument centers around whether or not the price that members receive for the product of their labour, generally in commodity form, amounts in reality to a wage.²² In this study we will address some of these issues with an analytical focus on the particular historical conditions that led to the class composition of the rural development association movement and in particular the role adopted by the petit-bourgeoisie. We will examine the social composition and class base of the general membership and the leadership of

the movement. Some tentative conclusions will be offered.

iv) Ideology

A fourth issue in the study of social movements relates to the beliefs or ideas used to mobilize membership of a social movement - the question of ideology. By definition an ideology is a set of beliefs, and values, oriented towards, if not based upon, the interests and viewpoints of a specific collectivity or group in society. It gives a meaning or a view of the world which, while not necessarily logical in the larger sense, serves to provide coherence for the membership. In terms of social movements ideologies are generally categorized into and identified as variations of three types (reactionary, reformist and revolutionary)²³ based on or defined by the scope of changes sought, and the special interests or class interests involved in such changes. In brief, reactionary or conservative ideology, regardless of its specific content is defined by the fundamental belief that no changes in the institutional structures of society are desirable. Reformist ideology is based on the belief in the need for change not of society's institutional structures, but of the conditions of access for participation in them. Reformist ideology seeks reform but "within the limits imposed by the existing hegemonic system."²⁴ The focus is generally on removing barriers to access so that the changes sought are generally in terms of the positions of individuals and not in terms of the fundamental institutions themselves. Radical ideology, on the other hand, is defined by the belief in the need to change not only the position of individuals within the existing system but to change some or all of the institutional structures themselves. Radical ideology is directed towards profound change in the very structure of society itself. Thus for example, a radical

political ideology would not necessarily accept private property as a given but could be directed towards its very abolition.

Needless to say this question of the shape of changes sought is not only present in the specific content of the ideology but also in the complex of socio-economic or class interests that are involved in the proposed changes.

v) Populism

A fifth issue relates to the class character of social movements with particular reference to the concept of populism. The term populism is often used in a pejorative sense to refer to certain charismatic styles of leadership and loose form of organization. It usually contains some reference to 'the people' in conflict with the status quo, although it is also sometimes applied to a certain set of state policies and strategies for national development.²⁵ In general terms the concept contains some common elements such as a stress on the worth of the common people, a tendency for protest to be directed against some group outside the local society and a reformist rather than a revolutionary ideology.²⁶

Richards distinguishes between what he calls pure populism - "populism from below, with a leadership that in terms of its education, class and ethnic origins is not far removed from the base it proposes to represent" and hybrid populism where "the adoption of populist ideology and mass organization, while central to the support of the movement, is a conscious strategy pursued by the leadership at least a majority of whom is more professional and cosmopolitan than, and hence somewhat socially removed from the base."²⁷ We will consider the rural development association movement in these

terms.

vi) Response of the State

A final issue in the study of social movements relates to the response of the state. As already suggested the state can itself be conceived of as an agent of development and change. More generally however the state is conceived of as the defender of the status quo - its institutional structures and social organization. More specifically the state can be conceived of as the captive instrument of a particular class or group whose interests are better organized and represented in various ways by the state. Even when the state is conceived of in more pluralist terms, it is generally recognized that, in the design and implementation of specific policies and programs, it invariably benefits some groups or collections of individuals at the expense of others.²⁸

In the context of this study our central concern is the response of the state to social movements. Clark identifies three categories of state response: indifference, accommodation and obstruction.²⁹ An indifferent response indicates that the movement is not sufficiently strong or does not pose enough threat to be taken seriously. Accommodation can take a number of forms either through co-option of the movement's leaders or institutionalization of the movement's objectives and goals. An obstructive response in its most severe form is repression and the use of the state apparatus to thwart the movement. Since radical movements almost always challenge the state, these forms of movements are usually the target of the state's repressive apparatus. Reformist movements are usually met with variations on the indifference/accommodation responses. In this study we will address the response of the state in terms of its eventual

accommodation of the movement and transformation of the movement's objectives and goals.

III. THESIS AND OUTLINE OF STUDY

The rural development association movement's efforts to promote an alternate form of rural development have not met with much success. Throughout the movement's existence rural decline has continued with higher and higher rates of unemployment and underemployment, and continuing out-migration from the rural areas of the province. Yet the movement is still promoted as the major contributor to rural development from the rural society with continued support from its members as evidenced by its expansion throughout the rural areas of the province, and strong financial support from the state. In one sense the issue can be formulated as a myth versus reality argument but in another more tangible sense it becomes a question of whose interests are being served by the movement and who benefits from its continued existence and promotion. That is the central question surrounding this enquiry.

The specific questions generated relate first of all to the origins of the movement. What were the historical factors that influenced the movement and what were the immediate conditions that caused the movement to emerge? These questions will be addressed first of all through an historical overview of the underdevelopment of pre-Confederation Newfoundland under merchant capitalism and the identification of the continuing influences from this period on the rural areas of the province. The more immediate conditions will be addressed through an examination of the post-Confederation

state-led policies to transform the society into a modern industrial state and the severe impact of these policies on the rural population in terms of physical dislocation and transformation of the rural social structure. Taken together these pre-Confederation and post-Confederation patterns of underdevelopment provide an overall context for an examination of the movement.

A second set of questions relates to the activities of the movement. What kinds of activities did the associations pursue? What kinds of activities did the associations choose not to pursue and for what reasons?

Another set of questions relates to the composition of the movement. Who mobilized the movement in the first place? Who were its members, both leadership and base, and how did the composition of the movement change over time? Whose interests were represented in the movement and whose interests were excluded? These questions will be addressed through an analysis of the class structure of the movement and the positions of influence of the various class interests.

A fourth set of questions relates to the ideology. What set of beliefs was used to mobilize the movement as a whole and how did this ideology inform the various activities of the movement? How did this ideology conflict or conform with the dominant ideology of the state?

Finally, there is the question of the response of the state to the movement. What was the relationship of the movement to the state and how did this relationship change over time?

Our analysis of these combined factors will provide answers to the central

enquiry. It will be argued that the rural development association movement emerged as a largely petit-bourgeoisie response to the conditions of underdevelopment in rural Newfoundland and in the course of its history was accommodated - in effect purchased by the state through the creation of dependence on government funding and the co-option of the movement's ideology; and adjusted to serve the interests of the state moreso than the rural population whose interests might have been better served by more radical changes.

In support of this argument our study is organized as follows: Chapter Two provides an overview of the historical factors from pre-Confederation Newfoundland that influenced the movement. In Chapter Three we deal with the particular context and conditions in which the movement formed. Together these two Chapters provide the overall context of underdevelopment from which the movement emerged. In Chapter Four we provide a brief history of the movement and an examination of its activities. Chapter Five addresses the movement in terms of its membership and ideology. In Chapter Six we identify the role of the state with regard to the movement. Finally in Chapter Seven we will outline the conclusions to our study and hopefully as well provide insight into the nature of social movements of this type.

IV. METHODOLOGY AND SOURCES

In this study I employ a socio-historical analysis of the conditions from which the movement emerged together with case studies and participant observation. During some twenty years as a community development worker with Memorial University Extension

Service, I have benefited from a close working relationship with some individual development associations and more particularly with the Newfoundland and Labrador Rural Development Council. In the preparation of this study I was granted virtually unlimited access to the files of the Rural Development Council, the provincial Department of Rural, Agriculture and Northern Development and Memorial University Extension Service. Other sources include government documents, annual reports, minutes of meetings, fieldworker reports, association briefs and newsletters, press releases and informal interviews with key individuals.

FOOTNOTES

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CHAPTER TWO
A POLITICAL ECONOMY OF NEWFOUNDLAND
BEFORE CONFEDERATION

I. INTRODUCTION

The historical forces that were to influence the rural development association movement have roots that extend from the earliest days of European settlement. In this Chapter we will give a brief overview of the economic, political and social structures of the pre-Confederation period and indicate how they contributed to the conditions of poverty, isolation and lack of organization in the rural society. The single most important influence was the merchant capital system in the exploitation of the fishery, which except for foreign capitalized attempts at economic diversification during the beginning of this century, was essentially the sole economic activity in the colony. Other contributing influences were religious factionalism and a merchant class dominated political system. These conditions exerted profound influences on any attempts to mobilize rural people, up to and including the rural development association movement by establishing a weak organizational foundation from which any movement could emerge.

II. HISTORICAL FOUNDATIONS

At first, Newfoundland existed mainly as a convenient shore station for European fishing interests fishing on the Grand Banks. Discovered¹ in 1497 by John Cabot, A

Genoese sailor commissioned by King Henry VII of England to search for a new route to the far East, Newfoundland was not officially claimed for the Crown until 1583. There were some attempts at settlement beginning in 1610 but no notable successes during this time period. During the 17th and 18th centuries, the fishery was interrupted at times by the many European wars of the period and fishing rights were adjusted according to the various European treaties. France and England were the only nations to have attempted settlement of the island and it was affairs between these nations that played an important role in the eventual settlement pattern on the island. Even though the Newfoundland fishery was largely controlled by English west country fishing interests,² France maintained shore rights on a significant portion of the west and northwest coasts until 1905, a situation which kept these areas off limits to English settlement. During the 18th century, Newfoundland was characterized as "something more than a fishing station, something less than a colony".³ The administration of justice was in the hands of British naval authorities and was "hopelessly corrupt and chaotic".⁴

The English fishing interests, wanting no competition from a resident Newfoundland fishery, convinced the English Crown to enact harsh anti-settlement laws that were not revoked until 1824. In spite of their harshness the population of the island was about 50,000 when the laws were finally revoked.⁵ Some of these residents were planters, or people who were left in Newfoundland at the end of the fishing season to protect the merchant's interests. These planters became middleman representatives on behalf of the English merchants, eventually becoming more and more independent until they developed into a local merchant class.⁶

In 1855, Responsible Government was granted to Newfoundland. By this time the population of Newfoundland had climbed to some 130,000 people⁷ mostly in St. John's or in fishing settlements along the East coast. Most of the colonization took place in one period of sustained colonization that occurred in the early 19th century.⁸ The population consisted of two major ethnic groups: "Protestants from England's west country, who came to exploit the fishery before 1830 and Catholics from southern Ireland who arrived mainly between 1790 and 1850".⁹

i) The Economy

The economy was based almost exclusively on a one product export commodity - salt fish. The salt fish trade was controlled by the merchants through a credit arrangement based on the truck system. In this system, the merchant supplied the outport fishermen with goods and supplies on a credit arrangement and was repaid at the end of the fishing season by the fishermen's product. The merchant set the price for his goods and supplies as well as setting the price at which he would purchase the fish. No cash was exchanged - if the fishermen's produce exceeded the cost of his supplies, he was given a credit; if, on the other hand, the seasons's catch did not cover all the costs of goods and supplies (as was usually the case), the merchant carried him until the next fishing season. Thus, the fisherman was continually in the merchant's debt, especially if he had one bad season. The merchant's power to give or refuse credit to a fisherman was enormous because the fisherman normally had access to only one merchant, and refusal of credit could destroy him.

Under this system the merchant fulfilled a whole gamut of financial roles in the

economy.

[He] ... acted as bank, mint, and clearing house, besides acting as money-lender, export agent, and import agent. He combined six or more functions of capital, and represented the integration of capital.¹⁰

The cod fishery dominated all life in the colony:

[In 1857] ... the number of men engaged in catching and curing fish accounted for about 90% of the total labour force. Until the early 1870's fishery products accounted for 95% to 98% of the annual value of Newfoundland exports.¹¹

The fishery continued to expand until the 1880's and "the absolute level of employment in the fishing industry grew from some 38,500 men in 1857 to around 60,400 in 1884".¹² The traditional fishing economy then began a steady decline and Newfoundland embarked on a program of other major resource developments and attempted industrialization.

ii) Social Structure

The society that evolved in Newfoundland was unique to its peculiar conditions of existence. It contained a sharply polarized class structure with a largely Protestant St. John's merchant class and a mainly Catholic outport class of fishermen. According to historian S.J.R. Noel:

Nowhere else in North America had colonial society evolved in quite the same way as in Newfoundland and nowhere were social classes more sharply polarized. With the decline of the English west country influence virtually the entire export and import trade of the country had fallen into the hands of a small group of St. John's merchants, who, with the government officials, churchmen, and others they supported, formed the dominant social class. They were invariably English and Protestant. And not only were

they wealthy, they were also immensely powerful, for the financial structure of the fishery had become totally dependent upon their capital. ... a middle class of small traders and artisans was numerically insignificant; and the lower class, which included the vast majority of the population, consisted almost entirely of fishermen, roughly half of whom were Irish Roman Catholics.¹³

The concentration on salt fish and the household as the unit of production dictated that the settlement pattern would be scattered along the coastline among the many coves and inlets. This was to provide sufficient shore space for drying as well as close access to the fishing grounds. Their isolation from each other and from the centre of power in St. John's helped make it very difficult for any form of local government to develop.

While the gross inequality of wealth and power separated the merchant class from the lower class of fisherman, sectarianism proved to be a more powerful political tool than class. Sectarianism was rampant in Newfoundland especially during the latter part of the 19th and the early 20th century. The settlement pattern saw most of the Irish Catholics settle on the east and south coasts while the northeast and west coast were mainly Protestant. Early settlement had concentrated on the east coast, particularly the Avalon peninsula. In 1827, 25% of the population of the island lived in St. John's and some 75% of the population on the Avalon peninsula. Over 65% of the population of St. John's was Catholic as was 52% of the total population.¹⁴

A system of denominational patronage developed which manipulated sectarian prejudices as well as seeking political balance on the basis of religion. Education was controlled by the churches. Political representatives invariably came from the merchant class:

The members of the governing elite were recruited from a narrow stratum of society composed almost entirely of merchants and those members of a small professional class, particularly lawyers, who depended for their livelihood upon merchant patronage.¹⁵

Until 1855 political party support was divided by class and religion with the Irish Catholics supporting the Liberal party and self-government and the English Protestants supporting the Conservatives and opposed to self-government. According to Noel:

... the division between the liberal and conservative parties, in terms of both policies and sources of support, was clear and unmistakable; the Liberals were for self-government and were supported mainly by Irish Catholics; the Conservatives were opposed to self-government and were supported almost entirely by English Protestants ... The merchant conservatives had therefore to rely upon crown appointees to safeguard their economic and class interests and ... any move in the direction of popular government was anathema to them.¹⁶

After the granting of Responsible Government in 1855 radical liberalism died and until the end of the century there was little to distinguish the two political parties. It became a choice between "merchants and lawyers or lawyers and merchants".¹⁷

iii) Forms of Protest

Sectarianism proved to be more powerful than class interests. The Irish Catholics in St. John's were a potential source of revolution and there were sporadic outbreaks of violence but they were essentially kept in check by the Catholic hierarchy. The dominant institutions of the day were usually along sectarian lines and tended to emphasize the religious differences among groups rather than their common economic interests. These organizations were mainly fraternal organizations such as the Loyal Orange Lodge and the Benevolent Irish Society.

The only trade unions in existence were "the various craft unions in St. John's - coopers, mechanics, longshoremen ... none of which were politically active".¹⁸ The fishermen were viewed as rugged, self-reliant individuals, who had no interest in organizing. The conditions of their economic lives certainly discouraged any attempts at organizing. These conditions included poverty, isolation and debt bondage to the merchants. Some discontent was voiced among the seal hunters about conditions aboard ships but it wasn't until the opening decades of the 20th century that organized movements of protest began to occur.

III. 1880 - 1933 PERIOD

During the 1880's, Newfoundland, in the belief that "no material increase of means is to be looked for from our fishery",¹⁹ turned away from the fisheries and embarked on a policy of opening up the interior to agricultural, forestry and mineral developments. Construction began on a trans-island railway, homesteaders were encouraged to open up agricultural land in the interior and attempts were made to develop local manufacturies.²⁰ Large scale resource developments, especially in mineral developments, were encouraged. The building of the railway and all major resource developments outside the fishery were undertaken with the aid of foreign capital that was attracted by major concessions by the government. Thus began Newfoundland's long and frustrating association with external capitalists.

Land concessions for the building of the railway were so great that the contractor, R.G. Reid, almost rivalled the Crown in his land holdings. Other concessions were

given that put him in a position to control all the communications of the colony. Reid became known as the Rhodes of Newfoundland.²¹ During the 1890's, Newfoundland experienced a financial crisis due to its over investment in the railway but was rescued by Canadian banks.

Local manufacturing was encouraged and grew under tariff protection. Sawmilling was one of the most successful industries but others, such as boot and shoe factories, glass works, and carriage factories were also successfully undertaken.²²

If Newfoundland ever experienced a golden age then it was probably in the first years of the 20th century. While the 1880's had seen economic prosperity and the beginnings of a diversification in the economy, the first decade of the 1900's continued this trend in the economy and included a measure of good government as well. The Liberal Government of Sir Robert Bond in the period 1900 to 1908 is usually credited as being the best in Newfoundland's political history. It renegotiated the terms of the Newfoundland Railway and attracted other foreign industrialists to build a paper mill at Grand Falls in central Newfoundland. The interior continued to be opened up and local industries continued to flourish. Attempts were made to negotiate a reciprocity treaty with the United States, negotiations that included a confrontation with New England fishing interests. These diplomatic manoeuvres caused some concern in Canada as well as in Britain.²³

By 1908 however a sharp decline in the export price of fish revealed the continued fragility of the economy. An essentially conservative People's Party replaced the Liberal Government in 1909 with promises of ever increased efforts at

industrialization - "an industrial policy which would keep workers at home".²⁴

The People's Party had its roots in the stirrings of industrialization and the opening up of the interior which, in addition to providing an outlet for surplus workers in the fishery and the introduction of cash into the rural economy, also allowed for the growth of a new outport merchant class:-

... a new class of self-made men; outport merchants who had profited from the railway boom of the 90's and the generally prosperous fishery after the turn of the century; ... and a new breed of small businessmen, unusual in that their activities were not directly related to the fishery".²⁵

This new class, combined with ... "newly established lawyers whose practices owed nothing to family connections with the St. John's merchant elite"²⁶ could not expect to maintain their interests within the traditional elitist Conservative Party and so formed the People's Party. This party, which wanted "to appeal to all the classes in the community",²⁷ wanted reform but a reform that could occur within the existing class relationships. Although events of this period were "carried out with the unseen forces of confederation hovering in the background",²⁸ it is worth noting that in the election of 1908 both parties in their campaigns accused the other of favouring confederation with Canada.

The most significant political and social event of this period had its beginnings outside the formal party alignments - this was the formation of the Fishermen's Protective Union, (1908-1923). The Union had its origin among the fishermen of the northeast coast - fishermen "who were more akin to agrarian peasantry than to an industrial proletariat".²⁹ Led by William Coaker, the Fishermens Protective Union

became the most significant social movement in Newfoundland's history. At its peak it had some 20,000 members among 116 locals and four district councils. Its base of power stretched along the mainly Protestant villages of the north and northeast coast. In spite of its many efforts it was unable to break into the Catholic south coast areas and was viewed by most Catholic fishermen as an Orange organization.³⁰

The Union had three broad categories of activities: commercial, education, and political.³¹ Its commercial activities consisted mainly of co-op supply stores in outports and an export company. Its education activities centered around its newspaper, The Fishermen's Advocate, and night schools for adult education. Its political arm sought nothing less than "to control the government of the colony".³² In addition to placing the fishery as the key to Newfoundland's development, its policy platform also included:

- appointment of trade agents abroad
- night schools in the outports
- free, compulsory education
- old age pensions
- laws to make combines in trade punishable by imprisonment only.³³

The Union had all the characteristics of a fraternal order - emblems, flags and parades, and in many ways it acted as a form of local government in the outport communities, sending petitions to Government on community issues and introducing bills in the House concerning working conditions on sealing ships and in logging camps. The Union represented more than the fishermen. It utilized the language of class struggle and sought to "uplift and improve the lot of the toilers".³⁴

In its first attempt at formal politics, the Union elected eight members to the legislature of thirty-six in the 1913 election and became the largest opposition party. It

formed a coalition opposition with the Liberal Party. In the national government during the war, its leader, Coaker, became a Minister and in 1919 he became Minister of Fisheries.

The Union's recommendations in fishery policy were a direct challenge to the established order. They advocated a fishery based on co-operative principles that "if carried into practice in its entirety would undoubtedly have transformed the socio-economic structure of Newfoundland."³⁵ The Fishermens Protective Union was a direct threat to the merchants. Its emergence and growth was all the more remarkable when one considers the risks that fishermen were taking in joining the Union. In the end, however, the Union failed in its efforts to control the fishery due to its inability to control the export price of fish.³⁶

In 1918 the Newfoundland Industrial Workers Association (N.I.W.A.) formed in St. John's, as a coalition of organized labour unions (mostly Catholic workers) and attempted to establish itself as a radical political voice for labour. It attempted to do many of the things that the Fishermens Protective Union did for its members and sought political office in 1919 but was unsuccessful.³⁷ The fact that the N.I.W.A. did not attempt to establish links with the fishermen's union is but one example of the power of sectarianism over class interests.

The fishery declined again in post-war years and attention turned again to industrialization efforts - particularly the building of railway branch lines to the peninsulas. These efforts were even less successful than the earlier development efforts and were plagued by political corruption.

Throughout this period there was a dominant but rapidly declining emphasis on primary resources, especially fishery, after 1884. In the 1890's an industrial proletariat began to appear. For many rural people however, outmigration, mainly to the Boston states, was their only recourse. "Between 1884 and 1945, Newfoundland lost between 65,000 and 100,000 people through net migration."³⁸ There was limited immigration. The 1921 census revealed that fully 95% of the population was native born.³⁹

The 1920's was a period of severe corruption in the political life of the colony. Although the politicians, including the Prime Minister, Sir Richard Squires, led the way, the corruption was not confined to politicians alone. The Newfoundland civil service "resembled the military service of Mexico - little pay, but unbounded license to plunder."⁴⁰

Politics was essentially merchant dominated although reform was often included in the rhetoric of the day. As Newfoundland sank further into debt, various schemes, such as the sale of Labrador to Canada, were attempted without success. With the coming of the world depression in 1929, Newfoundland faced default on its debts. One bailout by Canadian banks failed to resolve the issue. Further aid was refused. In the face of these debts, compounded by almost total collapse of the fishery in the years 1931, 1932, and 1933,⁴¹ chronic unemployment, poverty, and the real threat of mob violence, the Crown in London intervened and appointed a Royal Commission in 1932 - "to examine into the future of Newfoundland and in particular to report on the financial situation and prospects therein".⁴² The report recommended that Responsible Government be suspended and in 1933 a commission of civil servants - three from Britain and three

from Newfoundland, was appointed by Britain to govern "until such time as Newfoundland may become self supporting."⁴³

The class struggles and reformist ideals of the early part of the century had ended largely in failure. Then in 1934 Newfoundland lost even Responsible Government.

IV. THE COMMISSION OF GOVERNMENT 1934-1948

The Commission of Government which took charge of Newfoundland's legislative and executive affairs in 1934, was the quintessential civil service bureaucracy. Its desire was efficiency and cost-effectiveness. The British appointees to the Commission were all career civil servants while the Newfoundland appointees were all from the previous Conservative Government.

Although the Commission expounded that "the fishery was the backbone of the country",⁴⁴ its fishery policies were not particularly noteworthy. It did introduce order to the marketing of salt fish but could not stem the continued decline of the industry.⁴⁵ Nor was the Commission particularly successful with its efforts in forestry or mining. In keeping with British colonial models elsewhere, it was in agriculture that the Commission put considerable emphasis. It attempted to alleviate both urban and rural poverty by establishing land settlements where the impoverished would be granted land and taught the rudiments of farming.⁴⁶ This was also a failure. The Commission's attempts at resource development were also hampered by the situation in which "there is hardly a parallel in the white world to this state in which the exploitation of natural resources is completely in the hands of alien finance."⁴⁷ Since much of this alien finance

was in the hands of English interests, it should not be surprising that the Commission was hesitant.

The establishment of the Commission had justified itself not only on economic grounds but also on the moral grounds that the political system was simply too corrupt to be reformed. Politics in Newfoundland was viewed as "a process of greed, graft and corruption which has left few classes of the community untouched by its insidious influence."⁴⁸ While it viewed patronage politics as having created an unhealthy dependence on government by the masses, the Commission itself was not immune from the closed politics⁴⁹ of the merchant class Newfoundland commissioners. The Newfoundland members of the Commission warned their English colleagues "not to attempt to create in the minds of the people of this country a demand for a higher standard of comfort".⁵⁰ They accepted that for the fishermen "the standard of comfort was very low but that the fisherman wanted nothing more, and was very happy struggling along in the circumstances in which he found himself".⁵¹

The Royal Commission Report itself described the typical Newfoundlander in typically arrogant colonialist terms:

... content to continue in the ways of his father ...
easygoing ... law abiding ... intensely patriotic ... marked
absence of any community spirit ... child-like simplicity
and unprogressive but potentially fine material.⁵²

One of the governing commissioners complaining of the difficulty of their task said:

... with the possible exception of Russia and a couple of
the Balkan states, I doubt whether there is any purely white
community in the world on such a low cultural level or
where complete ignorance of anything outside the daily task
is so widespread.⁵³

Given the climate of secrecy and the Commission's attitude towards the people, combined with the class interests of the Newfoundland Commissioners, it is not surprising that little happened during the life of the Commission. Its most noteworthy accomplishments were reform of the civil service and the establishment of an efficient rural health care system of cottage hospitals. The general population was cared for, insofar as the Commission could fulfill its objectives within its guidelines of cost efficiency, but in spite of its relatively free hand to carry out its duties without fear of direct political interference, the Commission was a failure. It continually feared political unrest and kept an eye on the old Liberal party members whom, it was concerned had formed a shadow cabinet. A measure of its concern and operating procedures is shown in its treatment of a study it had commissioned of working conditions in logging camps. The study, carried out by Gordon Bradley, a former cabinet minister in the Liberal Government, showed low wages and poor working conditions for the logger. The Commission, fearing a popular uprising if the report were released, buried it in exchange for some wage concessions from the woods company.⁵⁴

By 1939, there was mounting public opposition as living conditions remained extremely difficult. In 1938 and again in 1939, 85,000 people out of a total population of 290,000 were on public relief - the dole, at 6 cents a day. The Commission considered labour camps for the urban unemployed because of its fear of mob violence but was saved by the outbreak of the Second World War.

The outbreak of the war was a boon to Newfoundland because her strategic position was very important to the Allied war effort. Three American military bases and

two Canadian bases were constructed. By 1942 there was full employment - "Newfoundland had about 100,000 working-age males, and nearly 20,000 of them were building the bases."⁵⁵ By the end of the war Newfoundland's economy had recovered from the Depression.

After the war Britain announced a general election in Newfoundland to elect delegates to a National Convention, to recommend possible forms of future governments.

A referendum was called in 1948 with the following results:

Responsible Government	44.55 %
Confederation	41.13 %
Continued Commission (for five years)	24.32 %

This was not a clear majority so a second referendum was called to decide among the first two options. The result was 52% for Confederation and 48% against. By the smallest of margins Newfoundlanders had decided to become Canadians.

V. SUMMARY

In this Chapter we have reviewed the broad historical forces and the conditions of underdevelopment in pre-Confederation Newfoundland. It was a system that, except for one brief state led and foreign capitalized attempt at economic diversification at the turn of the century, was completely dominated by merchant capital. Essentially the fishery was the only reason for the province's existence. The rural settlement pattern, as determined by the economic activity, and strongly influenced by religious affiliation was comprised of hundreds of small villages scattered along the coastline isolated from

the capital and from each other. These physical and sectarian dimensions of the rural society presented enormous obstacles to any attempts to mobilize rural people especially in terms of developing local organizational structures.

Public or political participation in the rural areas was almost non-existent. Except for the brief period of the Fishermen's Protective Union, the political system was dominated exclusively by the merchant class or its representatives. There was little or no local government and practically no rural organization of any kind except for religious fraternities. These conditions contributed further to the weak organizational foundation in the rural areas.

The rural social structure showed very little differentiation and was comprised largely of independent commodity producers and semi-proletarian workers who migrated to work at projects such as logging and construction and then returned to fishery.

Thus the pattern of development under merchant capital not only created conditions of poverty and oppression among the rural population but also established long-term features in the rural society that were to exert a strong influence over the rural development association movement when it emerged in the late 1960's. Before addressing this however, we need to complete the context of underdevelopment by an examination of post-Confederation attempts at development. It is to these attempts that we now turn.

FOOTNOTES

1. The island was populated by Beothuck indians before European settlers came but they became extinct in the 19th century. Newfoundland was also visited by Norse seamen centuries before Cabot and some temporary settlements were built but no permanent settlement.
2. J.D. House, The Challenge of Oil, Institute for Social and Economic Research, Memorial University, (St. John's 1985), p. 21.
3. S.J.R. Noel, Politics in Newfoundland, University of Toronto Press, (Toronto, 1971), p.4.
4. *ibid.*, p. 6.
5. *ibid.*, p. 4.
6. House, *op. cit.* p. 21.
7. Great Britain, Newfoundland Royal Commission 1933 Report, (London, 1933), p. 56.
8. Noel, *op. cit.* p. 9.
9. Economic Council of Canada, Newfoundland: From Dependency To Self Reliance, (Hull: Minister of Supply and Services, 1980) p. 1.
10. J. D. Rogers, "Newfoundland: Historical and Geographical", (Oxford, 1911), p. 206, quoted in Noel, *op. cit.* p. 8.
11. Peter Neary ed., The Political Economy of Newfoundland, 1929-1972, Copp Clark Publishing, (Toronto, 1973), p. 9.
12. David Alexander, "Newfoundlands Traditional Economy and Development to 1934", in The Acadiensis Reader, Vol. II. (Fredericton, 1985), p. 16.
13. Noel, *op. cit.* p. 9.
14. Neary, *op. cit.* p. 11.
15. Noel, *op. cit.* p. 21.
16. *ibid.*, p. 22.

17. *ibid.*, p. 25.
18. *ibid.*, p. 20.
19. Journal of the House of Assembly, 1880, "Report of the Select Committee to Consider and Report Upon the Construction of a Railway", p. 126. quoted in Alexander, *op. cit.* p. 20.
20. Alexander, *op. cit.* pp. 20-22.
21. James Hiller, "The Railway and Local Politics in Newfoundland, 1870-1901", in Newfoundland in the 19th and 20th Centuries: Essays in Interpretation, University of Toronto Press, (Toronto, 1980).
22. Alexander, *op. cit.* pp. 21-22.
23. Noel, *op. cit.* pp. 36-38.
24. *ibid.*, p. 58.
25. *ibid.*, p. 103.
26. *ibid.*
27. *ibid.*, p. 58.
28. *ibid.*, p. 51.
29. *ibid.* p. 77.
30. See Robert J. Brym and Barbara Neis, "Regional Factors in the Formation of the Fishermen's Protective Union of Newfoundland", in Robert J. Brym and R. James Sacouman eds., Underdevelopment and Social Movements in Atlantic Canada, New Hogtown Press, (Toronto (1979).
31. See John Feltham, "The Development of the F.P.U. in Newfoundland (1908-1923)", (M.A. Thesis, Memorial University of Newfoundland, 1959).
32. *ibid.*, p. 39.
33. *ibid.*, pp. 168-169.
34. The Fishermen's Advocate, Jan. 17, 1914, p. 2. quoted in Feltham, *op. cit.* p. 39.

35. Noel, op. cit. p. 98.
36. Little research has actually been done on the full reasons for the demise of the F.P.U. Mismanagement by Coaker, the worldwide depression etc. are often cited as reasons but no comprehensive study has ever been done to this writer's knowledge.
37. Noel, op. cit. p. 135.
38. David Alexander, "Development and Dependence in Newfoundland, 1880-1970" in David Alexander. Atlantic Canada and Confederation: Essays in Canadian Political Economy, compiled by Eric W. Sager, Lewis R. Fischer and Stuart O. Pierson, University of Toronto Press, (Toronto, 1983).
39. Economic Council, op. cit. p. 55.
40. Noel, op. cit. p. 170.
41. Great Britain, op. cit. p. 84.
42. *ibid.*, p. ii.
43. *ibid.*, p. 224.
44. T. Lodge, Dictatorship in Newfoundland, Cassell and Co. Ltd., (London, 1939), p. 48.
45. There is some disagreement as to the effectiveness of the Commission's fishery efforts. Some, such as Alexander, contend that the Commission created "the nucleus of one of the world's best fishery services." (David Alexander, "The Collapse of the Saltfish Trade and Newfoundland's Integration into the North American Economy", in Hiller and Neary, eds., Newfoundland in the 19th and 20th Centuries p. 252.) In any case, the collapse of the trade was not prevented.
46. See T. Lodge, op. cit. pp. 172-183.
47. *ibid.*, p. 143.
48. Great Britain, op. cit. pp. 81-82.
49. See Noel, op. cit. pp. 221-243.
50. *ibid.*, 237.

51. **ibid.**
52. **Great Britain, op. cit. pp. 77-78.**
53. **Noel, op. cit. p. 232.**
54. **Peter Neary, "The Bradley Report on Logging Operations in Newfoundland, 1934: A Suppressed Document", in Labour/LeTravail 16, Fall, 1985.**
55. **Economic Council, op. cit. p 5.**
56. **Peter Neary and S.J.R. Noel, "Continuity and Change in Newfoundland Politics", in Peter Neary ed. The Political Economy of Newfoundland, 1929-1932. Copp Clark Publishing, (Toronto, 1973), pp. 217-221.**

CHAPTER THREE

PUBLIC POLICY AND DEMOGRAPHIC CHANGES AFTER CONFEDERATION

1949-1972

I. INTRODUCTION

In this Chapter we will examine the pattern of underdevelopment in the first two decades after Confederation and indicate how by the late 1960's, this had created widespread discontent and created the conditions necessary for the emergence of the rural development association movement.

The economic and social policies pursued by the state were an attempt to transform Newfoundland into a modern industrial state. These policies, while failing to achieve their stated goals, did cause severe disruption in the rural society in terms of spatial dislocation and economic hardship. These conditions led rural people to reject the state development policies and to seek a more rural pattern of development. Meanwhile the state led development policies also created an increasingly variegated rural social structure, including the emergence of a new class of professionals and semi-professionals who combined with elements of the traditional petit-bourgeoise and small capitalists to provide the leadership for the movement.

We will first address the economic and social policies introduced by the state and then turn to an examination of the various changes in the economy by sector. Finally we will address the overall impact of these changes on the rural society and how these changes led to the emergence of the movement.

II. PUBLIC POLICY

The first priorities of the new government were twofold: i) to modernize and develop the economy and, ii) to provide a level of public services that would, in time, equal the level of services in the other Atlantic provinces.¹

i) Economic Policy

The immediate concern of the Newfoundland government was that it would begin to lose much of the population to better pay and living standards on the mainland now that migration was easier. Therefore it was important that development take place quickly. However the traditional mainstay of the Newfoundland economy, the salt fish trade, was in decline and, in any case, was historically associated with conditions of poverty and oppression that many Newfoundlanders hoped they had escaped with confederation. The fresh fish industry required major investments in plants and machinery that the local fish merchants were unwilling to make. They saw a better opportunity for investment in the new and expanding service sector.² The results of this were threefold: - i) it gave the traditional merchants a very strong footing in service sector activities such as insurance, trucking and retailing, ii) the salt fish trade became abandoned and the fresh fish industry slow to develop, iii) the Newfoundland government chose to look to foreign capitalists for help in developing the province. The government felt that it was forced to try and attract foreign investment because the local merchant class would not invest in new industry. Smallwood argued this explicitly:

"It was useless to turn to the businessmen of Newfoundland. Most of them were scrambling around, like henhawks eying a chicken coop, for their share of the millions of family allowances and other cash pouring in

from Ottawa. Wholesale, jobbing, retail shops, they were stocking up to the bursting point, telegraphing and telephoning urgently to the mainland for more supplies, and scouring Canada for new agencies. I didn't dare venture my life in that mob of single-minded traders. It would be useless to talk to them about investing money in new industries, so I would have to search outside, and I did."³

The first phase of industrial development focused on import substitution. It lasted roughly from 1950-1956 and was an attempt to develop a modern secondary manufacturing sector through the public financing of factories and workplaces. Initially, the government tried to build industries that, it hoped, once successfully operating, would be sold to private enterprise. The profits would be used to start up new industries, and so on. This was then changed to attracting outside capital through offers of 50% funding in the form of loans to foreign companies who would provide the capital to start new industries.⁴ This also proved unsuccessful. The smallness of the local market and the inability to penetrate foreign markets spelled doom for almost all of these industries. Table 3-I contains a list of these industries and their eventual fate.

The Newfoundland government was extremely generous and naive in its financing arrangements and attracted many shady financiers and carpetbaggers especially those fleeing war ravaged Europe, including, some claimed, "the cream of the German underworld".⁵ By 1956, the government had lost most of the economic surplus with which it had entered Confederation.

The fishery, meanwhile, was slowly changing from a salt fish product for the European markets to a fresh frozen product for the American market. The government did not totally neglect the fresh fish industry but investment was minimal compared to

TABLE 3-1

**MANUFACTURING INDUSTRIES ESTABLISHED IN NEWFOUNDLAND
IN THE 1950'S**

<u>NAME</u>	<u>OPENED</u>	<u>\$INVESTED</u>	<u>SUCCESS</u>
North Star Cement Corner Brook	1952	Gov't.funded	Successful
Newfoundland Hardwoods Donovans	1952	\$4 million	Successful
Atlantic Gypsum Corner Brook	1952	Crown Corp.	Successful
Atlantic Hardwoods Donovans	1952	\$1 million	Destroyed by fire. Re-established as Newfoundland Fibreply.
Superior Rubber Holyrood	1953	\$2 million	Closed 1956
Newfoundland Tanneries, Carbonear	1952	\$300,000	Closed 1957
Atlantic Gloves Ltd. Carbonear	1956	-	Closed 1957
Koch Shoes Ltd. Harbour Grace	1953	\$1.5 million	
Goldsail Leather Goods, Harbour Grace	1953	-	Closed 1960
Cdn. Machinery and Industry Const. Ltd. Octagon Pond	1952	\$2.5 million	
United Cotton Mills St. John's	1952	\$2 million	Sold to 3 St. John's businessmen for \$1m. in the early 1960's.

Table 3-1 Cont'd.

Terra Nova Textiles St. John's	1954	-	
Hanning Elec. Co.	1953	-	Closed
Eckhardt Knitting Mills Ltd., Brigus	1955	-	Closed
A. Adler of Canada Ltd. i.e. Adlers Chocolates (Bay Roberts)	1956	\$550,000	Closed

Source: Building on our Strengths. Reprint of the Royal Commission on
Employment and Unemployment, final report. 1986 p47.

the modern new industries. Again, the local merchant elite were to blame. According to Smallwood:

"It would not be so much a matter for public concern if our millionaires today, making their money and living with their families in a capital-hungry province, instead of investing their money only in the wholesale and retail trade, in amusements centres, in high-rise buildings and countless other high and quick-return enterprises, in and out of our province were to put large proportions of it into basic productive industries to strengthen the fundamental economy of the province by creating jobs. Even our great basic industry, the fishery, has not attracted locally the capital that was needed. My administration had to pour many millions of dollars of public money into the fisheries, largely as loans, to make up for the failure of local millionaires, near-millionaires, and other wealthy individuals and companies to do so."⁶

The focus of economic activity then turned to what has been labelled the social infrastructure phase (1955-1965) with the building of schools, airports, harbour facilities as well as the completion of the Trans-Canada highway across the province and secondary roads to the peninsulas. This period also saw the beginnings of large scale resource developments, particularly mining in Labrador and hydro-electric projects. These ventures were also financed by external capital and involved major resource giveaways, and tax and royalty concessions that were also to characterize the mega-industries period of the late 1960's.

The process of building social infrastructure had been actually going on since 1950 but by the late 1950's Newfoundland still lagged far behind the other Atlantic provinces, so a concentrated catch-up effort was made. This period of activity produced a new economic class in Newfoundland, the contractor, who was local but not part of the

traditional merchant elite. Many of these contractors remained local but a few went on to become part of Newfoundland's new economic elite.

The late 1960's saw a concentration on mega-industries and major resource developments unmatched in the province's history. Beginning with mining in Labrador, this phase of economic activity was characterized by bigness, major resource giveaways and tax concessions to external capitalists. These projects drove Newfoundland into serious debt and are most noteworthy for their spectacular failures - Come-by-Chance oil refinery is the largest bankruptcy in Canadian history; ERCO industries receives a subsidy on electricity worth more than all the salaries of the employees. The most frustrating for Newfoundlanders is the Churchill Falls power contract which gives Quebec Hydro a windfall profit of approximately 600 million dollars a year. As with the construction projects of the 1950's and early 1960's, these projects created employment for thousands of Newfoundlanders in the construction phase only, with little or no long-term employment. Most benefits from all of these projects have flowed to external agencies. A list of the major industries is attached in Table 3-2.

This period also saw attempts to develop the fishery along industrial model lines and the concentration on developing an offshore capacity, particularly on the south coast. Merchant capital was still not being re-invested in the fishery, a situation which eventually led to control of the fish processing industry by non Newfoundland firms such as National Sea Products.⁷ Attempts were made to attract major international food companies such as Unilever but without much success. Fish plants and other industries were to be concentrated in strategic growth centres where people, resettled from the more

TABLE 3-2
MEGA-PROJECTS

<u>PROJECT</u>	<u>CONSTRUCTION PHASE</u>
Iron Ore Company of Canada (Labrador City-Wabush)	1958-1962
Come-by-Chance Oil Refinery	1967-1972
ERCO Industries	1968
Marystown Shipyard	1966
Bay d'Espoir Hydro	1964-66; 1966-72
Churchill Falls	1966
Labrador Linerboard	1967

Source: Compiled from Brian C. Bursey, "A Half Century of Progress? A History of Economic Growth and Development in Newfoundland, During the Modern Period, 1930-1980". Background Report for Economic Council of Canada: Newfoundland: From Dependency to Self-Reliance.

isolated outposts, could receive employment and social amenities, that could not be delivered to all the scattered outposts. It was this resettlement program, more than anything else, that came to symbolize the failure at the attempts at industrialization and modernization.

ii) Social Policy

One immediate impact of Confederation was enrolment in the Canadian social welfare system of family allowances, old age pensions and unemployment insurance that put cash into virtually every household in Newfoundland. This was probably the first regular circulation of cash in the rural economy. However, it is easy to overgeneralize on this. Certain aspects of the rural economy were quite familiar with cash, in particular the mining and pulp and paper towns. In addition to this seal hunters on the northeast coast, south coast seamen who worked sporadically in Canada, the base towns in the 1940's, and finally, the repatriation payments sent home from abroad (a not inconsiderable amount given the number of Newfoundlanders abroad and the strong family ties that existed), were all integrated to some degree into the cash economy. However social welfare money that followed from Confederation in 1949 was an important change because of its household focus and its regularity.

In addition to the many social problems associated with poverty and underdevelopment, the major social conditions that were to confront Newfoundland at Confederation were the age structure of the population and the dispersal of that population throughout the many towns and villages in the province.⁸ The population had been increasing rapidly since the war years as it was elsewhere with the post-war baby

boom, but in Newfoundland the baby boom continued well into the 1960's. (See Table 3-3.) This high birth rate was also accompanied by a lower death rate so that the population structure became strengthened at both poles. One result of this was a lower labour force participation and a higher dependency rate.

The dispersal of the population was another factor that hindered the choice of development efforts. Over half the population lived in rural areas. The majority of those rural dwellers lived in villages of less than 1,000 population, with a high number of these in villages of less than 300. (See Table 3-4.) The policy implications of this for development based on modernization and growth pole theory were obvious - a concentration on education and centralization of the population.

1. Education

At the time of Confederation there were some 1,180 schools in Newfoundland, of which almost 1,000 were one or two room schools.⁹ By 1972, there were less than 160 of these type while 150 regional and central high schools had been built, as well as a host of new elementary and junior high schools. Out of a total of 2,585 teachers in 1951 only eighty-seven had Grade IV qualifications (B.A.).¹⁰ Most of these were located in St. John's. By 1975 this had increased to 5,432 out of a total of 7,690. Table 3-5 shows the increase in teachers over the year. Table 3-6 shows the increase in students at Memorial University from 400 in 1951 to over 10,000 by 1972. As well, there were thousands of other students enrolled in the province's twelve vocational schools and a fishery college at St. John's. This so called revolution in education was to have a significant impact on the rural social structure with the introduction of thousands of

TABLE 3-3

**NUMBER & ANNUAL GROWTH RATE OF POPULATION
NEWFOUNDLAND AND LABRADOR FOR CENSUS YEARS 1935 TO 1971**

<u>Year</u>	<u>Number</u>	<u>Annual Growth Rate</u>
1935	290	0.7
1945	322	1.0
1951	361	1.9
1956	415	2.8
1961	458	2.0
1966	493	1.5
1971	522	1.1

Source: Historical Statistics of Newfoundland & Labrador Table A-1

TABLE 3-4**NUMBER OF COMMUNITIES IN NEWFOUNDLAND BY POPULATION OF
COMMUNITY, CENSUS YEARS, 1961, 1971**

<u>Population of Community</u>	<u>Number of Communities</u>		
	<u>1961</u>	<u>1966</u>	<u>1971</u>
0-49	238	153	113
50-99	174	148	113
100-199	263	222	195
200-299	140	125	123
300-399	83	91	82
400-499	69	48	44
500-999	83	116	126
1000-4999	47	60	71
5000-999	5	7	8
10000 and over	2	2	2

Sources: 1961; Census of Canada 1961, 92-538, Bulletin sp-4 'Population of Unincorporated places of 50 persons and over, 'Canada Year Book 1968 (Ottawa: Queen's Printer, . 1968) 197, 'Incorporated Towns & Villages, 1961, Dominion Bureau of Statistics, St. John's, Newfoundland, supplement listing unincorporated places with less than 50 persons. 1966 and 1971: unpublished data, Statistics Canada, St. John's, Newfoundland, 'Province of Newfoundland: Unincorporated Communities with a Population of less than 50 for 1966 and 1971, 'Population of Unincorporated Places of 50 Persons and Over, Newfoundland: Population of Incorporated Cities, Towns and Villages, Census Years 1951-1971.)

Source: Ralph Matthews, The Creation of Regional Dependency, University of Toronto Press. 1983. p. 173.

TABLE 3-5
NUMBER OF TEACHERS IN PUBLIC SCHOOLS
NEWFOUNDLAND AND LABRADOR

1949-50 TO 1971-1972

<u>School Year</u>	<u>Total Teachers</u>
1949-1950	2,374
1959-1960	4,019
1964-1965	5,351
1971-1972	6,648

Source: Historical Statistics of Newfoundland and Labrador Vol II (I),
constructed from Table E-2.

TABLE 3-6
ENROLMENT MEMORIAL UNIVERSITY OF NEWFOUNDLAND
1949-50 TO 1971-72

<u>Year</u>	<u>Total</u>
1949-50	307
1960-61	1,400
1965-66	3,943
1971-72	10,650

Source: Historical Statistics of Newfoundland and Labrador
Vol II (I). constructed from Table E-4.

formally trained teachers producing a new and rapidly expanded semi-professional class in rural Newfoundland. The enormous increase of rural students into post-secondary education also expanded the rural professional and semi-professional class as the students who returned took up occupations in government, industry and the service sector. This rapidly expanded new class would play a key role in the emergence and expansion of the rural development association movement.

2. Resettlement

Resettlement became the province's primary policy instrument for dealing with the issue of rural development. During the 1950's resettlement was carried out by the Department of Welfare and was considered as an instrument to combat extreme isolation and as a means of providing services to people who would otherwise have no access to them. Under that program the whole community had to agree to move and no money was received by anyone until the whole community had done so. One hundred and ten communities were moved under that program. From 1965 until 1969 the program was budgeted under the federal Department of Fisheries and in 1969 it was taken over by DREE. Thus it became a policy instrument of fisheries development and later, industrial development under the growth-pole model of DREE. The amount of money involved was increased significantly as was the impetus for the program which was administered through a newly created provincial Department of Community and Social Development - a department that was mandated to both depopulate and develop rural communities. Altogether some 30,000 people and a total of over two hundred communities were resettled by the time the program ceased in 1975.

Resettlement, more than any other issue in public policy, provided the impetus for the emergence of the rural development association movement. It came to symbolize, not only the failure of industrialization but also the betrayal of a rural way of life. In one sense its utility as an ideological focus for the rural development association movement was perhaps even greater than its economic impact on the rural society as a whole.

III CHANGES IN THE ECONOMY BY SECTOR

To get a more accurate picture of the changes in rural Newfoundland during the first two decades of Confederation we need to examine these changes by economic sector. Because of the seasonal nature of most rural employment it is always difficult to accurately assess employment patterns but certain trends become clear. One is a declining emphasis on primary resources and an increased reliance on temporary construction work and work in the service sector. Accompanying this are increasingly rapid changes in the social structure with increased proletarianization and semi-proletarianization of the work force and the growth of semi-professional and small capitalist class elements.

i) Fishery

In 1951 there were some 18,000 fishermen in Newfoundland,¹¹ almost all independent commodity producers. This was down considerably from pre-confederation years. By 1968 there were 19,350 fishermen including some 1,300 offshore fishermen and some 4,000 casual fishermen. (See Table 3-7.) Onshore employment in fish plants

TABLE 3-7
NUMBER OF FISHERMEN 1957-1968

	<u>1957</u>	<u>1968</u>
Full-time inshore fisheries employment	13,592	10,058
Part-time inshore fisheries employment	2,132	4,062
Casual inshore fisheries employment	-	3,921
Full-time offshore fisheries employment	623	1,314

Source: Historical Statistics of Newfoundland and Labrador Vol II (I) (Table K-7)

increased from 2,395 in 1957 to 4,853 in 1968.¹² The trend shows a decrease in the number of full time fishermen and a corresponding increase in the number of part time and casual fishermen indicative of a trend towards semi-proletarianization in the inshore fishery. Offshore fisheries employment increased. This sector of the fishery was completely capitalist with crews paid on an industrial wage-labour basis. During the mid 1960's a longliner or mid-water fishery also began to develop, reflecting a new differentiation within the fishery with small capitalist owners and sharemen crews who received what amounted to wage labour. By the late 1960's the overall structure of the fishery was extremely complex with elements of independent commodity producers, semi-proletarians, proletarians and small capitalists all engaged in exploiting the resource.

ii) Forestry

Pulp and paper production continued to dominate the forestry sector with sawmilling contributing a comparatively minor amount and actually declining over the years. Government policy favoured the pulp and paper industry which, in any case, controlled almost all the productive forest land. A dramatic decline in the logging force in the early 1960's brought about by mechanization saw the number of employed loggers drop from as many as 13,000 part-time in the early 1950's to 1,590 in 1971.¹³ The traditional practice of fisherman-logger had given way to a full-time professional logger.

iii) Mining

The number employed in mining rose from 3,558 in 1950 to 5,276 in 1971¹⁴ but these numbers were not indicative of the major investments that the province made in mining ventures. The returns to the provincial treasury were minimal however.

Newfoundland collected more revenue from tobacco taxes than from minerals and more from registering deeds than from forest revenue.¹⁵

iv) Non-resource Sector

By 1970 the non-resource based sector was providing employment for over seventy-five percent of the labour force.¹⁶ Manufacturing had grown slowly since Confederation and in 1971 employed approximately 11% of the employed labour force.¹⁷ The construction industry boomed especially during the 1960's when, during peak periods, it employed over 18,000 people. In 1971 the construction industry employed approximately 9% of the total employed labour force.¹⁸ The remainder, or over 55% of the employed labour force was in the service sector (eg. transportation, trade, community services, etc.).¹⁹

The area of government service alone grew considerably in the two decades following Confederation. At the municipal level the number of employees grew from around 60 at Confederation to approximately 1900 in 1971.²⁰ Provincial employees numbered around 15000²¹ and federal employees numbered around 10000.²² While the great majority of these were centered around the capital city and regional service centres they were still a growing and significant population in the rural areas. Certainly it was a dramatic change from the small and unprofessional civil service of the pre-Confederation patronage period.

Overall the changes in sectoral employment during the first two decades of Confederation produced a number of significant results for the rural population.

1. An overall decline in resource based employment and a significant

proletarianization of the work force engaged in fishery and forestry. Within the fishery the classifications became even more complex with elements of independent commodity producers, semi-proletarian, proletarian and small capitalists all engaged in exploiting the resource. The conflict among these class elements was compounded by the state policies of modernization and industrialization and further exacerbated by an overall decline in the resource itself.

2. A heavy reliance on temporary construction work and mobility by the labour force.

3. An overwhelming reliance on service sector employment. Growth in this area produced new petit-bourgeoisie and semi-professional class elements particularly in education, administration and government service. These occupational groupings were predominantly in the urban areas but a significant number were also present in the rural areas through employment in the new high schools, vocational schools and government services.

By the late 1960's there was widespread discontent about the failures of the industrialization approach to development. This discontent was not confined to the rural people who were feeling the effects of these policies most directly but was generally felt throughout the population of the province and expressed in a number of ways.

In the formal political arena it resulted in the rejection of the federal Liberal candidates in the 1968 election with six of the seven candidates defeated. In the following provincial election of 1971 the Smallwood Liberals who had totally dominated provincial politics since Confederation were defeated and replaced by the Conservative

party which based most of its program on a rejection of industrialization and the promise of a new era based on rural development. The search for alternatives even found its way into the halls of academia with the establishment of the Institute for Social & Economic Research (ISER) at Memorial University. There social scientists began to engage in research on rural society and economy and produced a number of studies critical of industrial models of development and in support of alternative models. Of particular note were studies by Norwegian sociologists Cato Wadel and Ottar Brox on intermediate adaptation that supported a rural base model for development. Brox's study was reproduced in the daily newspaper The Evening Telegram and received widespread public attention, certainly a strong indication of the degree of popular support for alternative development models.

In the rural society itself two significant social movements emerged. One was the Fishermen's Union which had its roots among the fishermen of the northwest coast who formed the Northern Fishermen's Union in 1968 and rapidly expanded across the province. Many other rural people led by elements of the petit-bourgeoise in protest over their conditions of existence and in particular the resettlement program and the 'loss of a rural way of life' organized and formed themselves into the rural development association movement.

IV. SUMMARY

The overall impact of the failed attempts at modernization and industrialization were profound for the whole province but were much more devastating for the rural

areas. Forced resettlement to modern services and to create labour pools for 'growth centres' uprooted thousands of rural Newfoundlanders and destroyed hundreds of communities. Even these economic enterprises that were relatively successful such as the fish processing plants demanded concentrations of population around these plants so that many outlying settlements were disrupted. Employment on construction projects demanded that people move away from their home communities for certain periods of time.

In addition to these physical dislocations there evolved an increasingly variegated rural social structure. Proletarianization and semi-proletarianization in the forestry and fishery sectors in particular the complex of class interests in the fishery placed new stresses on the rural society. The elements of modernization that had penetrated the rural communities such as the proliferation of high schools, vocational schools and government services created a whole new class of teachers, managers, civil servants and other professionals and semi-professionals that by the late 1960's were a significant part of the rural social milieu.

However these objective conditions were not enough for a social movement to emerge. There had to be an ideological or political expression before mobilization could occur. The resettlement issue provided the cornerstone for the new ideology. For the fishermen it represented a real threat to survival. For the new class elements, many of whom by virtue of their education were thrust into leadership positions, it represented a threat to the rural way of life. For them the rural development philosophy supported by the intelligentsia provided an alternative to the policies of industrialization.

FOOTNOTES

1. See Ralph Matthews, The Creation of Regional Dependency, University of Toronto Press, (Toronto, 1983), Chapter 9.
2. Vince Walsh, "Stagnant Capital and Mobile People" in Rex Clark ed. Contrary Winds: Essays on Newfoundland Society in Crisis, Breakwater Press, (St. John's, 1986), p. 22.
3. J.R. Smallwood, "I Chose Canada" Macmillan Co. of Canada, (Toronto, 1973), p. 346.
4. Economic Council of Canada: Newfoundland, From Dependency To Self-Reliance, (Hull, Minister of Supply & Services, 1980) p. 7.
5. Brian C. Bursey, "A Half Century of Progress?" 1980, p. 126, (mimeo)
6. Smallwood, op. cit. p. 21.
7. Walsh, op. cit. p. 22.
8. Matthews, op. cit. p. 170.
9. Bursey, op. cit. p. 492.
10. ibid., p. 493.
11. Table 7.1. Historical Trends - Number of fishermen in Newfoundland, 1857, to 1981. Data Source: Newfoundland Census, Census of Canada in Background Report. Fisheries Policies and Community Development: Proposal for a Revised Approach to Managing the Inshore Fisheries in Newfoundland, Royal Commission on Employment and Unemployment, (1987). Douglas House, Maura Hanrahan, David Simms. p. 99.
12. Historical Statistics of Newfoundland and Labrador. Vol II (I) Table N-3.
13. ibid., Table L-3.
14. ibid., Table M-5.
15. Economic Council, op. cit. p. 36.
16. Matthews, op. cit. p. 174.

17. **Historical Statistics, op. cit. Table C-7.**
18. **ibid., Table C-6.**
19. **ibid., Table C-6.**
20. **ibid., Table V-4**
21. **ibid., Table V-5**
22. **ibid., Table V-6**

CHAPTER FOUR

THE RURAL DEVELOPMENT ASSOCIATION MOVEMENT

I. INTRODUCTION

In this Chapter we will trace the career of the rural development association movement from its roots in the late 1960's through its period of growth and expansion in the 1970's and 80's. We will note how the movement changed from a largely petit-bourgeoisie, loosely organized collection of groups engaged in a wide variety of activities into a more pluralistic but highly structured organization mandated to carry out government-funded projects. Other points raised in this Chapter such as membership, ideology and the relationship to the state will be addressed in more detail in the succeeding Chapters.

II. EARLY PHASE OF THE MOVEMENT

In 1968 there were seven development associations in existence with a few others in various stages of formation. In most cases their formation was directly linked to a particular local economic crisis. The Northern Peninsula Development Association and the Port au Port Development Association developed from concerns over chronic unemployment and the threat of resettlement. The Fogo Island Improvement Committee and the Lamaine Area Development Association formed in response to crisis in the local fishery and strong rumours that their areas were to be resettled. The Bell Island and Green Bay Associations grew out of sudden mine closures. The Eastport Committee for

the Development of Progress was the exception, formed not out of crisis but rather out of generalized concerns about lack of development. All these associations operated independently of each other, and had varying forms of organization. The three associations located at Fogo Island, Eastport and The Great Northern Peninsula were the most significant and powerful during this period and provided a focus for the movement as a whole. We will examine these three associations in some detail to describe and illustrate the process and nature of these early organizations.

i) Fogo Island Improvement Committee

The Fogo Island experience illustrates a model of rural development based on self-help and co-operative development. The association was formed in response to a local crisis in the fishery and fears that the whole island was scheduled for resettlement. It was comprised almost exclusively of new petit-bourgeoisie and small capitalists, and used a strategy of direct entrepreneurial activity through local control and ownership to develop the island.

1. Setting

Fogo Island is located in Notre Dame Bay some ten miles off the northeast coast of Newfoundland. In the 1960's it had a population of slightly less than 5,000 living in ten settlements on the island. It was almost totally dependent on a short seasonal fishery with negligible economic alternatives. In addition to the problems of low incomes and unemployment, Fogo Island suffered from problems of isolation, poor communications and lack of services. During the late 1960's its welfare caseload was one of the highest in the province.¹

In 1967 two large local merchant firms closed operations and left the island. Only two small fish plants remained, these operating on a seasonal basis and with no guarantees of continuing. During this period rumours were circulating that the island was 'slated for resettlement'.²

2. Organization

The Fogo Island Improvement Committee was formed in 1966. It was created from the remnants of a Fogo Island Vehicle Owners Association that had been formed in 1958 to try and lobby for improvements in the roads connecting the various settlements on the island. This organization had been dominated by the clergy and was not strongly supported by the general population. Its reasons for collapse included a lack of recognition from government agencies, a lack of public support, and disagreement among members over organizational objectives and leadership roles.³ The members who felt that the committee should deal with broader issues than road improvements eventually prevailed. In 1967 the committee adopted a constitution calling itself the Fogo Island Improvement Committee with the following objectives:

- (a) to promote the development of the natural and social resources with the hope of improving the income and employment opportunities of Fogo Island;
- (b) to solicit the co-operation of all civic minded people in self-help or co-operative projects for the benefit of Fogo Island as a whole.⁴

3. Membership

Membership in the committee was from selection by the existing members. No open elections were held. New people were selected on the basis of their interest in the island as a whole and not in any one particular settlement.⁵ All settlements were not

equally represented on the committee but each settlement had one executive member.⁶ In the early stages the leadership was dominated by the clergy (as had been the roads improvement committee earlier) but control soon passed over to a few of the island's leading small merchants.⁷

Cato Wadel in his study of communities and committees on Fogo Island⁸ states that leadership that was accepted by the islanders was from people that did not belong to their own strata - ie. merchants, clergy and teachers - mostly outsiders.⁹ The island's bank manager, welfare officer and fishery officer were members of the committee as were any newcomers in these type of occupations. These outsiders had few social links with the local population. Dewitt quotes the welfare officer as saying:

"When a new bank manager or government person comes here, I make sure they join the committee and the Lion's Club. It's only right that we try to help these people. It's not good to get too friendly with the local people so they could take advantage of you. We spend most of our social evenings together. My close friends are the bank manager, the RCMP Officer, the C.N. Manager and a few of the merchants."¹⁰

Occupational position was the most important criterion for membership.¹¹

Fishermen made up one half of the membership on the committee but these were the 'good' fishermen,¹² the new longliner operators. The core leadership was heavily composed of small merchants (president and vice-president), fish plant manager (secretary), clergy, and 'the outsiders'. According to Dewitt, the committee was firmly controlled by a few merchants and leading longliner fishermen.¹³

A profile of occupational activity on Fogo Island taken from the 1966 electoral rolls reveals the following:¹⁴

62%	fishermen
11%	service workers
1%	labourers
7.5%	professionals
3%	managerial
2%	skilled technical
5%	loggers & farmers

In terms of this community profile, the managerial and professional occupations were heavily over-represented on the committee. There were few changes in membership during the initial years.

The degree of local support for the committee was not high although this was subject to change, depending on the activities of the committee. According to a survey conducted by Dewitt in 1967, over 35% of the heads of households claimed they had never heard of the committee.¹⁵ The rest were split more or less evenly as to whether they thought the committee was effective. This may have been a fair assessment in 1967 when the committee was barely under way but is almost certainly not true of the committee when it became more active in later years (1969-70) when it had a very high public profile both on the island and throughout the province.

4. Activities

The overriding concern of the committee was to resist resettlement, to promote activity in the fishery, and to draw attention to the plight of Fogo Island. In its early stages, the committee operated without any funding and confined its efforts to sending letters, telegrams and petitions to government. "An average of eight letters are sent to various government offices after each meeting."¹⁶ Press and radio announcements were also released to demonstrate the committee's stand on various issues.

During 1967-68, Memorial University Extension Service, in co-operation with the National Film Board, carried out a community development project on the island utilizing film in a process of social animation. This process greatly enhanced the profile of the committee both on the island and off. The extension service continued work on the island through its fieldworker and by providing adult education programs and activities particularly around the co-operative formed in 1968.

The co-op was a "child of the Improvement Committee."¹⁷ The Fogo Island Shipbuilding and Producers Co-operative was established in 1967 with one hundred and twenty-seven members. Four 50 foot longliners were built and sold to local fishermen in the first year. Another four were built in 1969, also for local fishermen. In 1968 the co-op got involved in the outfitting, marketing and processing of fish. By the end of 1968 the co-op had grown to approximately five hundred members. The Fogo co-operative brought economic life to the island and continues today as the single most important employer on the island¹⁸. It also illustrates the best example of direct entrepreneurial activity for the whole rural development association movement.

Between 1968 and 1972, the improvement committee carried out a dozen or more economic projects, with government funding, mostly surrounding the fishery. It also became successfully involved in activities related to improved telephone services, improved ferry transportation and the establishing of a central integrated high school.

5. Response of the Government

The initial response of the government was indifference. Indeed, concern was expressed by some people on the island that they would actually suffer a lessening of

government involvement because of the committee's antagonistic relationship to the government. The initial indifference did cause frustration and hostility on the part of the committee but by 1972 the committee, and especially the co-operative, were established securely enough to allay the concern over resettlement. The local politician had indicated support for the committee as "the only island wide association reflecting the wishes of the Fogo Island people"¹⁹ but the suspicion that the government had fully intended to resettle the people off the island has never been put to rest.

Some senior provincial bureaucrats were openly hostile to the committee. Wadel quotes one civil servant with reference to Fogo Island:

"Outport people want everything to come from the government and are putting nothing in themselves, and at the same time blame everything on the government."²⁰

ii) Eastport Committee for the Development of Progress

The Eastport experience illustrates a model of rural development based on a partnership arrangement with the state to carry out state-funded projects. Unlike Fogo and the other association areas, Eastport was not directly threatened with resettlement. The problem was conceptualized as not enough progress rather than a crisis of decline and extinction. The model developed at Eastport was to provide a blueprint for all associations in the later stages of the movement.

1. Setting

The Eastport Peninsula is also situated on the northeast coast of Newfoundland and is comprised of seven settlements with a population of slightly less than two thousand people. Economic activity in the resource sector focused around a combination of

farming, fishing and seasonal woods work. There were no full time fishermen. A large part of the workforce (45%) was composed of labourers and skilled technical workers who commuted to work in the nearby larger town of Gander. A few found work in the Terra Nova National Park immediately adjacent to the peninsula. While Eastport was not threatened by resettlement like Fogo and many other rural areas, it was suffering from unemployment or more accurately, underemployment.

In contrast to Fogo, Eastport contained a large number of organizations. In addition to three community councils there were agricultural societies, church associations, fraternal and youth organizations.²¹

2. Organization

From the beginning, the Eastport process was a joint community-government program of rural development. In 1968 a delegation from the largest community council in the area met with senior officials of the provincial Department of Community and Social Development. They were advised to organize a committee from the three community councils in the area, who, combined with representatives from the other four settlement, formed The Central Committee for the Development of Progress. The objectives of the committee were described in terms of self-help community development and were to involve the committee, in partnership with the government, to carry out government financed projects of economic stimulation.

A close working relationship existed between the committee and the government department. Some thirty-three projects, at a cost of \$100,000 were financed by the department through the committee. One of the key elements introduced at Eastport was

the hiring of a local worker who was paid by government funds but reported to the committee. One of his roles was maintaining the flow of information between the government, the committee, and the local residents. This was another aspect of the Eastport model that would later become standard for all associations. The role of the association fieldworker will be discussed in more detail in Chapter Six.

3. Membership

Members of the organization were democratically elected at public meetings with five members elected to committees from each community. One member from each committee was then elected to the central committee. The government department representative and the fieldworker were appointed ex-officio members of the central committee. The class composition of the organization was mixed.

4. Activities

Between 1968 and 1970, the committee administered some thirty-three projects with funding from government. All of these projects were focused on developing local resources to enhance income to the primary producers. The projects included:

greenhouses (7)	summer festival
bogland development	picnic tables, beach development
pastureland development	museum
hayland development	fish holding shed
lobster pool	tourist information
market centre	smokehouses ²²

The concentration of activity on primary producers was not a reflection of the occupational pattern within the area which was as follows:²³

fishermen (part-time)	16%
logger/farmer	4%
professional	7%

managerial	5%
skilled technical	26%
service	24%
labour	18%

5. Response of the Government

As already indicated, a very close relationship existed between the government bureaucracy and the local committee. The planning and implementation of projects was carried out in close collaboration with government officials and widely proclaimed by these officials as an 'appropriate' process of community development. This was in stark contrast to relations with Fogo and the other associations.

iii) Northern Regional Development Association (NRDA)

The Northern Regional Development Association was the largest and most radical of the early development associations. It pursued a program of protest and criticism of government policy that brought it into open conflict with both the political and bureaucratic arms of government.

1. Setting

The Great Northern Peninsula is one of the most isolated and neglected areas of the province - often referred to as the forgotten coast. It is comprised of some sixty to seventy settlements stretched along 300 miles of coastline on the northwest coast of the province. The economy is based almost entirely on fishing and forestry resources. During the 1960's, its transportation and communication services were among the worst in the province. Community and local organizations were even fewer than in the rest of the province. Many smaller settlements were being resettled to larger settlements within the region.

2. Organization

The Northern Regional Development Association was formed in 1967 after a series of public meetings were held and six members were elected in public meetings in each of the four provincial districts in the region. These twenty-four people elected an executive. Attempts were made to hold meetings and elections in every settlement but this proved too difficult so a series of eight zones (each zone containing ten to twelve settlements), was set up and a zone director and deputy director were elected in each one. These zone directors became responsible for organizing the membership within each zone. The organization's goals were stated very generally as to provide for people to have a voice in their own affairs and to take an active part in the development of their region.²⁴

3. Membership

The Great Northern Peninsula Development Association was the only one to have paid membership cards (\$1.50 each), and after its first year had a membership of over six hundred. In spite of its elaborate structure the organization was very loosely run with most of the power in the hands of a few small capitalist fishermen and local businessmen from the service sector.

4. Activities

NRDA was by far the most politically active of any of the associations. While it did engage in some activities of economic stimulation like the other associations, it was best known for its stands on political issues. The provincial government was openly hostile to NRDA and at one point, the association refused a government grant to hire a

local worker because it would be "a toe in the door" for the government.²⁵ Unlike Eastport, which valued its partnership with government, NRDA wanted to be completely independent. It agitated for attention to the problems of the area and became quite adept at utilizing the media: "whereas at one time we suffered in silence, now we are not suffering in silence anymore - we are letting the whole world know about it."²⁶

NRDA was particularly vocal about issues affecting the inshore fishery. Conferences, petitions and delegations were organized around the issue of the 12 mile limit and protection for the inshore fishermen from offshore trawlers (including Canadian trawlers) that came close to shore and destroyed fishermen's gear. Violence was threatened in a number of these confrontations. The association felt it was effective in getting compensation for fishermen who lost gear. The association lobbied successfully with fish plants in the area for higher prices for fishermen and also lobbied with the industry for the opening of new fish plants. It worked closely with the newly organized Northern Fishermen's Union and helped it to expand throughout the region.

Everything on the peninsula was within the purview of the association. Road improvements, snow clearing equipment, radio and t.v. communications, water supplies, electricity, new schools and fish prices were all issues that the association became involved in. NRDA did not confine its lobbying efforts to government alone. It also engaged in a joint project with the Bowater Pulp and Paper Mill in Corner Brook for the harvesting of wood pulp and set up a company to manage the operation. Government funded projects, involving breakwaters, haul-ups and harbour improvements were also carried out.

5. Response of the Government

The fierce independence of NRDA combined with government hostility to create an uneasy relationship. When the government policy in support of development associations was developed in 1971, NRDA was declared ineligible for funding because it would not conform to its assigned boundaries. Eventually NRDA folded and was replaced by six separate development associations.

III. GROWTH AND EXPANSION OF THE MOVEMENT

In 1972 the Smallwood Liberal government was defeated and the Moores Progressive Conservative administration took office promising "a dynamic program of rural development ... a faith in the future of rural Newfoundland."²⁷ This change in attitude and the development of policies for rural development is generally credited to the Moores government but the actual beginnings of the policy were developed by the Smallwood administration and announced in a major economic conference - the Master Plan Conference, in 1971.²⁸ Over one thousand delegates from all over the province attended this event in the provincial Arts and Culture Centre where various ministers of the provincial government were paraded on stage to announce their programs - millions for health, millions for economic development, millions for education, great new schools, etc. It was largely a public relations gesture and Smallwood's last hurrah, but contained within the program was a rural development policy announcing that forty-six development associations would be formed in the province (with geographical boundaries assigned) and the provision of government support funding - \$10,000 grants to each

association to hire a fieldworker and a grant of \$25,000 for the operation of the Rural Development Council.²⁹ Funding was to come from a new federal-provincial agreement under negotiation.

The Conservative Party had based much of its 1972 campaign on a platform of promoting rural development and rejecting the modernization policies of the previous Liberal government. It established a department of rural development to administer the program which was to be funded under a series of federal-provincial agreements based on the experiences with ARDA. The initiatives at Eastport would provide the model upon which the rural development program was to be built.

With the active support of government, especially following the 1974 ARDA III agreement, the number of association grew rapidly. In 1974 there were 17 development associations in the province. By 1982 there were forty-eight associations representing some 508 communities and 45 % of the province's population.³⁰ By 1987 this had grown to 55 associations representing some 515 communities with a population of 246,000 people.³¹ Almost all of these communities are small since some regional centres are not included in the associations. The total elected membership at the executive and director level grew from about 300 in 1974 and to over 1,200 by 1987. The number of development associations and their date of incorporation is shown in Appendix I.

i) Structure and Organization of Development Associations

The active involvement of government with development associations led to requirements that they adopt more formalized organizational structures and democratic processes. These requirements were tied to funding so that associations could not receive

an administration grant unless they met certain criteria. Up until then development associations had varied considerably in size, organizational structure and criteria for membership. Thus, involvement of government essentially led to a blueprint for organization.

Each development association is comprised of an executive (usually four members), and a board of directors. The board of directors varies in size from as low as five to as high as thirty or more. Usually the board of directors is comprised of one or two elected representatives from each community within the association's boundaries. The number of communities included in a particular development association ranges from a low of four to a high of twenty-four, depending upon the local features, however most associations cover less than ten communities. The population of member communities does not generally influence representation on the board of directors. Tiny communities with only a few families can sometimes have as much representation as significantly larger communities within the same region.

Most development associations are organized on the basis of community committees, elected at annual community public meetings but a few are organized on the basis of zones in which each zone represents a number of communities. The executive is usually elected from the board of directors. A limited number of associations also include representation from other organizations within the region such as community councils or fishermen's committees.

ii) Types of Activities of Development Associations

A review of all development association project activities in the period 1972-1982

shows that 50% of all activities were related to fishery infrastructure.³² In recent years associations have also become involved in a limited number of aquaculture projects on an experimental basis.

While the fishery provides the greatest area of activity for development associations, these projects are almost exclusively of the infrastructural type related to repairs and expansion of existing fishery facilities and in some cases the construction of new facilities such as gear sheds, bait holding units, and wharfs.

The next most frequent area of activity is in the area of community services, particularly in relation to recreational facilities which in the 1972-1982 period accounted for 20% of all project activities.³³ Tourism and agriculture were the next most frequent areas of activity.

In the year 1985-86 the sectoral distribution of development associations project activities followed the same pattern with fisheries (47.2%), community services (25.7%), tourism (7.6%) and forestry (5.7%).³⁴

The heavy concentration on fishery related projects (50%) is usually held up as an indication of the strong support of the movement for the primary producer. However, such an interpretation misses the point that almost all rural Newfoundland settlements are coastal settlements and in this sense it should perhaps rather be somewhat surprising that only 50% of the project activities are so related. Almost all the projects are of the infrastructure type with an emphasis on temporary job creation in construction as much or more so than in creating permanent facilities. In cases where projects have resulted in the ownership of enterprises such as fish plants the associations have opted to lease

these premises to private operators rather than attempt to operate them themselves. By 1985 development associations owned 18 small fish plants but all were leased or sold to private operators.³⁴ These arrangements were in keeping with the associations general approach to development that saw them refrain from the ownership of commercial assets in favour of stimulating private sector activity.³⁵

The emphasis on community and recreation services (20-25%) is again related to the need to create temporary construction jobs since little or no provision is made for the continued operating costs of such facilities and many have fallen into disrepair due to the lack of operating funds. These type of projects can perhaps be viewed more as attempts to build an infrastructure of modernity and public amenities rather than an investment in rural development as such.

IV. NEWFOUNDLAND & LABRADOR RURAL DEVELOPMENT COUNCIL

The Rural Development Council was formed in 1969 from the then 14 member development associations (not all 14 associations were fully formed) to serve as an umbrella organization. The council was formed from a series of meetings involving some of the leadership of the associations together with representatives of the government and the university extension service. In this sense the council's formation was a reflection of the needs of these outside organizations as much as from an expression of the needs of the individual associations.

The objectives of the council are stated in the constitution as:

1. To act as a voice of rural people throughout Newfoundland and Labrador on matters of provincial and national concern, on a non-partisan basis.

2. To exchange information and ideas on a regular basis between regional development associations and from rural development agencies and organizations elsewhere.
3. To stimulate improvements in all aspects of rural life in the province by co-ordinating ideas and preparing plans for presentation to appropriate bodies.
4. To represent the province on national organizations created for rural improvement.
5. To encourage the development of rural youth organizations.

The council is run by an executive and board of directors elected at the annual general meeting from the ranks of the member associations. All development associations are members of the council.

During its formative years the council operated without funding or staff and confined its activities largely to attending information sessions with government. It saw itself as the voice of the rural development movement but did not become particularly active until 1971 when it began receiving an administrative grant from the government. We will address issues related to the council's activities, membership, ideology and relationship to the government in the following Chapters.

Throughout the 1970's and 80's the movement operated in a period of continuing rural decline. The major trends of the previous decades continued and in some cases intensified. Labour force activity in the primary resource sector declined with fishermen representing 11% in 1971 and down to 9% of the rural labour force in 1981.³⁶ Logging activity was down to 3% in 1971 and continued at that low level.³⁷ The construction labour force activity which had provided so much employment in the 1960's was down to 8% of rural labour force activity in 1981.³⁸ On the other hand there was a significant

increase in rural manufacturing, mostly in fish processing plants, which increased to 15 % in 1971 and to 24% in 1981.³⁹ The largest growth was in the services sector which by 1981 represented 58% of rural labour force activity.⁴⁰ Outmigration continued to be a major response to unemployment with some 50,000 people leaving the rural areas of the province between 1971-1986.⁴¹ For those who remained unemployment soared from 8.5% in 1971 to over 20% in 1981⁴² and has remained high ever since.

V. SUMMARY

The career of the rural development association movement can be analyzed in two distinct phases. During its early phase the movement displayed the characteristics of a reformist social movement - loosely organized, led by elements of the petit-bourgeoise class and involved in a wide variety of operational strategies and activities directed towards rural renewal. Its relationship to the government was generally antagonistic. During its second phase of state supported expansion and growth, the movement became more rigidly organized with imposed limitations on geographical size, behaviour and range of activities. It viewed the government as a partner in the process of rural renewal essentially through the administration of government funded job creation projects. We now turn to an examination of the movement's membership, ideology and relationship to the state to determine how these changes came about.

FOOTNOTES

1. Robert L. Dewitt, Public Policy and Community Protest: The Fogo Case, Institute of Social and Economic Research, Memorial University of Newfoundland, (1969), p. 16.
2. It was widely speculated at the time that the provincial government had a secret list of communities to be resettled, but this was denied by the government.
3. Dewitt, op. cit. p.52.
4. Cato Wadel, Communities and Committees: Community Development and the Enlargement of the Sense of Community on Fogo Island, Newfoundland, Extension Service, Memorial University of Newfoundland, (1969) pp. 23-24.
5. Dewitt, op. cit. p.55.
6. *ibid.*, p.54.
7. *ibid.*, p. 55.
8. Wadel, op. cit.
9. *ibid.*, p. 9.
10. Dewitt, op. cit. p. 59.
11. *ibid.*, p. 59.
12. *ibid.*, p. 60.
13. *ibid.*, p. 69.
14. Marlene Bilous, "Community Development on Fogo Island: A Socio-economic Analysis", Institute of Social and Economic Research, Memorial University of Newfoundland, (1972) mimeo.
15. Dewitt, op. cit. p. 72.
16. *ibid.*, p. 70.
17. Wadel, op cit. p. 26.

18. See Roger Carter, "Co-operatives in Rural Newfoundland and Labrador: An Alternative?" in Peter R. Sinclair, A Question of Survival: The Fisheries and Newfoundland Society, Social and Economic papers No. 17, ISER, Memorial University of Newfoundland, (1988).
19. Dewitt, op. cit. p. 70.
20. Wadel, op. cit. p. 18.
21. Margret Guness, "A Sociological Assessment of the Eastport Peninsula Development Program", Institute of Social and Economic Research, Memorial University of Newfoundland, (1972) mimeo p. 35.
22. Marlene Bilous, "Eastport Community Development Evaluation; An Economic Analysis", Institute of Social and Economic Research, Memorial University of Newfoundland, mimeo, Appendix A.
23. *ibid.*, Appendix C.
24. Statement by President of NRDA at Stephenville Conference, April 8, 1969, Memorial University of Newfoundland, Extension Service, p. 8
25. *ibid.*, p. 11.
26. Statement by Secretary, NRDA at first annual conference of Northern Regional Development Association (NRDA) at Port aux Choix, Nov. 30, 1969, Memorial University of Newfoundland, Extension Service, p. 10.
27. Throne Speech, opening of the 35th Assembly of the Province of Newfoundland and Labrador, March 1, 1972. Quoted in Johnstone, Rural Development in Newfoundland. The Newfoundland Rural Development Program in the 1970's, Department of Sociology, Memorial University of Newfoundland, (1980) p. 16.
28. See Newfoundland Government Bulletin, February, 1971, Special Supplement, p. 8.
29. *ibid.*
30. A Proposal for Integrated Rural Development in Newfoundland and Labrador: A submission to the Government of Canada, Government of Newfoundland and Labrador, March, (1982) p. 4.

31. A Proposal for Comprehensive Rural Development through Canada - Newfoundland Rural Development Subsidiary Agreement III, First draft, Dept. of Rural, Agricultural and Northern Development, Government of Newfoundland and Labrador, (1987) p. 19.
32. Calculated from Regional Development Associations in Newfoundland and Labrador: A Project Inventory, Published by the Newfoundland and Labrador Rural Development Council (NLRDC) in conjunction with the Department of Rural, Agricultural and Northern Development, and Regional Economic Expansion, (1983).
33. *ibid.*
34. Report 1/87, Canada/Newfoundland Rural Agreement Subsidiary Agreement II: Program Statistics Report, Research and Analysis Division, Department of Rural, Agricultural and Northern Development, p.3.
35. A Proposal for Comprehensive Rural Development, 1st draft, p. 26.
36. Richard P. Fuchs and Robert Thompson. "Beyond the Overpass: Resource Development and Rural Socio-Economic Change in Nfld and Labrador. 1971-1981" Research and Analysis Division, Dept of Rural, Agricultural and Northern Development, Government of Nfld and Labrador, St. John's (1983).
37. *ibid.*,
38. *ibid.*,
39. *ibid.*,
40. *ibid.*,
41. Calculated from "Overpass" *op.cit.* and "A Proposal for Comprehensive Rural Development through Canada-Newfoundland Rural Subsidiary Agreement III. First Draft.
42. Overpass. *op.cit.*,

CHAPTER FIVE

MEMBERSHIP AND IDEOLOGY

I. INTRODUCTION

In the study of a social movement an analysis of its composition and ideology is essential to an understanding of the social and political dynamics of the movement. Of particular interest to this study, and indeed of all studies of social movements in peripheral societies, is the role of the petit-bourgeoisie class. In this Chapter we will examine the class composition and ideology of the rural development association movement and indicate the dominating influence of the petit-bourgeoisie class, particularly the new petit-bourgeoisie in positions of leadership. We will also note how the class composition of the movement changed over time.

In this Chapter we will also examine the ideology of the movement as expressed by its leadership and through the rural development council and will note how the ideological focus of the movement became an important factor in the movement's eventual co-option by the state.

II. MEMBERSHIP

The rural development association movement promotes itself essentially as a movement of primary producers organized against the interests of big business and urban industrial models of development and in favour of a 'small is beautiful'¹ approach to rural development. In the ideological sphere it has gone so far as to seek solidarity between

"the western farmers and the east coast fishermen" against "the oily smugness and crass self-satisfaction of the industrial heartland."² Even when the membership of the movement is cast in more pluralist terms, it is always in terms of a domination by primary producers or a fishermen's organization supported by elements of other occupational groupings in rural Newfoundland. Government reports refer to the domination of inshore fishermen in the organizations. The recent Royal Commission on Employment and Unemployment in its report Building on our Strengths notes "it is particularly significant that fishermen comprise the largest occupational group represented on the board of directors of the Regional Development Associations".³ Our research on membership does not support this contention. It shows that the membership in the rural development association movement, while pluralist in its composition is strongly dominated at the leadership level by elements of the new petit-bourgeoisie class.

For purposes of this study we will employ a typology of class position proposed by Veltmeyer:⁴

The Bourgeoisie

Monopoly sector
Lieutenant sector

The Petit-Bourgeoisie

Business sector (proprietors)
Independent producer sector
Management sector
Professional sector

The Proletariat

Semi-professional sector
Office sector
Service sector
Productive sector

The petit-bourgeoisie and proletariat are further defined as follows:⁵

The Petit-Bourgeoisie:

1. Independent commodity producers, primarily comprising farmers and fishermen.
2. Small business, comprising self-employed people such as shopkeepers and tradespeople, etc.
3. Managers, comprising medium and low-level managers and bureaucrats.
4. Professions and technicians, comprising people whose means of production are essentially intellectual.

The Proletariat:

1. Semi-professional/technical workers, white collar employees located between the managerial or professional and the office stratum in terms of working conditions, status and pay.
2. Clerical/sales workers, people who do menial routine work in offices, supermarkets, and retail stores.
3. Service workers, - people whose work is in restaurants, laundries, hotels, and the like.
4. Manual production workers, - the classical proletariat - blue collar machine operators, craftworkers, miners, oil-rig workers, and other such non-farm labourers.
5. Rural workers, people who work on farms, fishing boats and the like that are owned by other people.

We have made reference in the introductory Chapter to the considerable debate surrounding the complex issue of class demarcation in peripheral societies especially as it relates to the petit-bourgeoisie class. In this study these difficulties relate mainly to the occupations designated as fisherman, businessman and teacher.

Fishermen as an occupational group are to be found in all three class categories

because the fisheries sector involves both capitalist and petit-bourgeoisie operations. Thus a fisherman could be classified as a small capitalist (longliner owner/operator), independent commodity producer, semi-proletarian or proletarian. My analysis of the structure of the fishing industry shows approximately 5% small capitalists; 24% proletarian and approximately 71% independent commodity or semi-proletarian. Due to the expansion of the 200 mile limit in the late 1970's the number of new entrants into the fishery increased dramatically but these proportions did not change significantly.⁶

The occupation businessman can be classified as either capitalist or petit-bourgeoisie depending on the level of reliance on wage labour. The category of businessman in this study is petit-bourgeoisie or marginally small capitalist, the businesses mainly being comprised of operations in the service sector that are owner-operated and depend on temporary wage labour often among family members.

The occupation of teacher is categorized by Veltmeyer among the semi-professional sector of the proletariat. However, in the context of rural Newfoundland (as addressed in Chapter Three) teachers as a group constitute an educated elite separate and distinct from other members of the rural society and for purposes of this study will be considered as elements of the new petit-bourgeoisie class.⁷

There is also debate concerning commodity producers. Sacouman⁸ has proposed a classification of semi-proletarian to account for the commodity producers who sometimes are employed part-time in wage labour. This phenomenon is probably more widespread in Newfoundland than anywhere else in Canada. While we will continue to utilize the classification of independent commodity producers as members of the petit-

bourgeoisie we will take note of semi-proletarianism in our discussion.

One further issue has to do with the category of women who in many cases listed their occupation as housewife. This does not significantly affect the membership in 1975 because of the lack of participation by women but it is a factor in the 1987 membership. Where women's occupations are not listed they will be included among members of the proletariat who enter the work force temporarily usually on government sponsored make-work projects. In any case, issues related to gender and class are not central to this study and reference is made only to indicate that rural development associations provide a significant organizational vehicle in rural Newfoundland for the participation of women.

It was not until 1975 that a complete list of directors was first compiled. At that time the movement was comprised of some 29 associations with 342 directors and, with strong government support, was expanding throughout the province. We will examine an occupational profile of the associations membership at that time and again in 1987. The occupational profile is broken down by the three major administrative regions in the province to account for any particular local conditions.

i) Membership in 1975

1. Eastern Region

There were eight associations in the eastern region in 1975 with an elected membership of 101. An occupational profile of these members is shown in Table 5-I. The occupational categories of businessmen and skilled trades are most strongly represented on the associations. The relatively high percentage of skilled trades representation may be accounted for by the fact that the eastern region, while

TABLE S-1
OCCUPATIONAL PROFILE OF DEVELOPMENT ASSOCIATION
MEMBERSHIP

(1975)

Eastern Region

Businessmen	18
Teachers	8
Managers (includes foremen)	6
Civil Servants	2
Clergy	3
Doctors	1
Lawyers	1
Fishermen	11
Farmers	1
Skilled trades	18
Labourers	12
Clerical	5
Retired	4
Welfare recipient	1
<u>Total</u>	<u>91</u>

Source: Compiled from voters list 1975 (occupations were not available for 10 members)

predominately rural, is the most urbanized of the three regions. Of the total membership of 101 only 11 members or 10% were fishermen. In terms of executive positions, businessmen accounted for 32% of the membership. Teachers were the second most represented group at 18%. Together they formed half the total executive membership. Skilled trades had only one representative out of a total executive number of 28 as did fishermen.

In terms of our class typology this represents a petit-bourgeoisie and small capitalist representation of approximately 56% and a proletarian representation of approximately 38%.

2. Central Region

There were 12 associations in the central region of the province with a total elected membership of 124. Table 5-2 shows an occupational profile of these members. Again businessmen had the strongest representation, followed by teachers. Skilled trades representation was lessened noticeably. The percentage of fishermen were also slightly less and fully half the fishermen representation for the region came from one development association - Fogo Island. The percentage of women on the association was low with a total of six.

In terms of executive positions, businessmen provided the strongest representation at 34% followed by teachers at 14%. Together they formed 48% of the executive members of the associations. Fishermen and trades each represented about 1% of the executive membership.

Our class typology shows an increased petit-bourgeoisie and small capitalist

TABLE 5-2
OCCUPATIONAL PROFILE OF DEVELOPMENT ASSOCIATION
MEMBERSHIP

(1975)

Central Region	
Businessmen	33
Teachers	16
Managers	12
Civil Servants (including postmasters)	5
Accountants	2
Engineers	2
Doctors	1
Clergy	1
Fishermen	10
Farmers	2
Skilled Trades	9
Labourers	13
Clerical	1
Retired	7
Housewife	<u>1</u>
Total	<u>115</u>

Source: Compiled from voters list 1975
 (occupations not available for 9 members)

representation of approximately 73% and a proletarian class representation of approximately 20%.

3. Western and Labrador Region

There were nine associations in the western and labrador region of the province. (Labrador is included with western Newfoundland as it had only one association). The number of elected representatives was 117. The occupational profile is shown in Table 5-3. It shows a marked increase in the number of fishermen and the number of women but these are accounted for by single development associations. The Straits area development association had a total of 15 fishermen out of a membership of 24 and the Bonne Bay development association had seven women out of a membership of 10. If we exclude the Straits area development association, businessmen continue to show the strongest representation at 21%, with fishermen represented at 11%. At the executive level businessmen accounted for 30% of the membership while fishermen accounted for less than 1%.

Our class typology for this region shows a small capitalist and petit-bourgeoisie representation of approximately 70% and a proletarian representation of approximately 30%.

The overall occupational profile for 1975 is shown in Table 5-4. It shows that businessmen were the largest single occupational group by a significant margin and represented 22% of the total membership. Fishermen comprised 14% of the membership although this drops to approximately 10% if we remove the Straits Area Development Association.

TABLE 5-3
OCCUPATIONAL PROFILE OF DEVELOPMENT ASSOCIATION
MEMBERSHIP

(1975)

Western Region and Labrador

Businessmen	19
Teachers	9
Managers	9
Civil Servants	6
Clergy	2
Engineers	1
Fishermen	25
Farmers	8
Skilled Trades	10
Labourers	10
Clerical	2
Retired	4
Housewife	<u>9</u>
Total	<u>114</u>

Source: Compiled from voters list 1975
 (occupations not listed for three members)

TABLE 5-4
OCCUPATIONAL PROFILE OF DEVELOPMENT ASSOCIATION
MEMBERSHIP

(1975)

All regions

Businessmen	70	22%
Teachers	30	9%
Managers	27	8%
Civil Servants	13	4%
Clergy	6	2%
Doctor	2)
Lawyer	1	3%
Engineer	3)
Accountant	2)
Fishermen	46	14%
Farmers	11	3%
Skilled Trades	37	12%
Labourers	35	11%
Clerical	8	3%
Retired	15	5%
Housewives	11	3%
Welfare	<u>1</u>	<u>-</u>
Total	<u>318</u>	99%

Source: Compiled from voters list 1975

Overall the class typology for the membership of the movement in 1975 was 65% small capitalist and petit-bourgeoisie and 34% proletarian class. An examination of the various sectors shows that the small business sector is most represented with 22% of the total membership and 32% of the executive positions. Next is the independent commodity sector with 17% of the total membership but only 7% at the executive level. The professional sector is next with 14% of the membership and 23% of the executive. Finally there is the manager sector (including civil servants) with 12% of the membership and 21% of the executive. It is clear that the movement at this stage is dominated by the small capitalist and petit-bourgeoisie class, in particular the new petit-bourgeoisie class sectors. Independent commodity producers are a significant portion of the general membership but do not occupy leadership positions within the movement.

ii) Membership in 1987

In 1987 there were 55 development associations throughout the province with an elected membership of 1216. This survey covers 53 of these associations as the membership lists for two associations were not available. The regional membership breakdown is as follows:

1. Eastern Region

There were 20 associations in the eastern region with an elected membership of 458. Table 5-5 gives an occupational profile of this membership. There is a significant change in the occupational structure, notably in the occupations of fisherman, skilled trades and labourer. Labourers constituted the single largest group followed closely by skilled trades and fisherman. The most notable change is in the participation of women

TABLE 5-5
OCCUPATIONAL PROFILE OF DEVELOPMENT ASSOCIATION
MEMBERSHIP

(1987)

Eastern Region

Businessmen	29
Teachers	17
Managers	13
Civil Servants	9
Fishermen	64
Skilled Trades	67
Labourers	75
Clerical	19
Retired	20
Housewives	55
Student	5
Unemployed	<u>5</u>

Total 378

Source: Compiled from voters list 1985
 (occupations not available for 80 members)

who now formed a significant portion of the membership with 139 members or 30% of the total.

At the executive level the participation rate of businessmen, teachers, fishermen and skilled trades were roughly the same at 10-12% each, with labourers forming the single largest occupational group at 17%. Women occupied 29% of the executive positions.

In terms of our class typology the movement has changed significantly with 35% small capitalist and petit-bourgeoisie and 42% proletarian class.

2. Central Region

In 1987 there were 15 associations in the central region with an elected membership of 382. An occupational profile is shown in Table 5-6. It follows the same pattern as the eastern region with significant increases in the participation of fishermen and labourers although the skilled trades decrease is not as great as was the case in 1975. The increased participation rate of women was also continued but at a lesser rate with 66 women or 17% on the associations membership.

At the executive level businessmen, fishermen and teachers formed the largest groupings with 19%, 19% and 15% respectively. Women constituted 18% of the executive membership.

In class terms this represents 46% small capitalist and petit-bourgeoisie and 39% proletarian class.

3. Western and Labrador Region

There were 21 associations in the western and labrador regions with a total

membership of 376. The occupational profile is shown in Table 5-7. The same pattern continued with marked increases in the participation rate of fishermen, labourers and women. Fishermen represented 25% of the membership with labourers at 28%. Women made up 25% of the total.

At the executive level, fishermen and teachers represented the largest groupings at approximately 19% each. These were followed by businessmen at 15%. Women make up 28% of the executive positions.

This region corresponds exactly with the central region in class terms with 46% small capitalist and petit-bourgeoisie and 39% proletarian class.

The overall profile for 1987 is shown in Table 5-8. It shows a remarkable change in occupational profiles when compared with 1975. The membership changes have occurred in the occupational position of fishermen, labourers and to a lesser extent skilled trades. A marked increase in the participation of women has also occurred during this period with women now comprising 24% of the total membership and 25% of the executive positions.

The movement has changed in occupational terms from one dominated by businessmen, professionals and semi-professionals to a more plural structure. The most significant increase is in the participation of labourers and women.

Overall the class typology for 1987 shows 42% small capitalist and petit-bourgeoisie and 50% proletarian. Within the various sectors of the petit-bourgeoisie class representation is 21% independent commodity producers, 8% business sector, 7% manager sector and 6% professional sector. The highest representation from the

TABLE 5-6
OCCUPATIONAL PROFILE OF DEVELOPMENT ASSOCIATION
MEMBERSHIP

(1987)

Central Region

Businessmen	29
Teachers	23
Managers	16
Civil Servant	11
Fishermen	74
Farmer	1
Skilled Trades	40
Labourer	77
Clerical	14
Retired	13
Housewives	24
Students	2
Unemployed	6
Politicians	<u>1</u>

Total 331

Source: Compiled from voters list 1985
 (occupations not listed for 51 members)

TABLE S-7
OCCUPATIONAL PROFILE OF DEVELOPMENT ASSOCIATION
MEMBERSHIP

(1987)

Western and Labrador Regions

Businessmen	25
Teachers	20
Managers	9
Civil Servants	7
Fishermen	74
Farmers	1
Skilled Trades	21
Labourers	82
Clerical	12
Retired	7
Housewives	25
Students	3
Unemployed	7
Politicians	1

Total 294

Source: Compiled from voters list 1985
 (82 occupations not listed)

TABLE 5-8
OCCUPATIONAL PROFILE OF DEVELOPMENT ASSOCIATION
MEMBERSHIP

(1987)

All Regions

Businessmen	83	8%
Teachers	60	6%
Managers	38	4%
Civil Servants	27	3%
Fishermen	212	21%
Farmers	2	-
Skilled Trades	128	13%
Labourers	234	23%
Clerical	45	4%
Retired	40	4%
Housewives	104	10%
Student	10	-
Unemployed	18	2%
Politicians	<u>2</u>	-

Total 1003

Source: Compiled from voters list 1987
 (1003 occupations out of total of 1210)

proletarian class comes from manual production workers and the semi-professional sector with 23% and 13% respectively.

Representation at the executive level has also become more pluralistic with business at 14%, professional at 13%, independent commodity producers at 11% and managers at 10%. Within the proletarian class manual workers are most represented at 14%, semi-professional at 9% and 7% clerical.

Even allowing for the difficulty in translating occupational data into class terms and the caveats that apply to this particular study in terms of occupations such as fishermen, one can still establish the dominating role of the new petit-bourgeoisie class sectors in the leadership of the movement.

iii) Membership in the Rural Development Council

The membership of the council is composed of an executive of three members and a board of directors of five - representing the five zones - east, west, north, south and central, all elected at annual general meetings. Since 1969 there have been 14 elections - some meetings in the early 1970's were cancelled due to lack of organization. Because of a high incumbency rate only 22 people have been elected to the council during this time. Of these, teachers represent the largest occupational grouping with eight followed by businessmen with four. Next is civil servants at three. Altogether 18 of the 22 executive members came from the small capitalist and new petit-bourgeoisie class sector. Only one fisherman and one farmer have ever been elected to the executive of the council. The class composition of the council membership has not changed over the years.

III. IDEOLOGY

In the debate on ideology it is generally accepted that only the bourgeoisie and proletarian classes possess ideologies that are in fundamental opposition. Petit-bourgeoisie ideology is viewed as inconsistent or even incomplete, often finding expression in social movements of the extreme right or left.⁹ Whatever their expression certain characteristics of petit-bourgeoisie ideology are clear. These include:

- a tendency to be anti-capitalist, but problems are solvable through reform rather than revolution.
- aspirations to career promotion (new); success through small business (traditional).
- a tendency to see the state as inherently neutral whose role is arbitrating between the various social classes.¹⁰

Petit-bourgeoisie ideology tends to take a populist form expressing the worth of the common people, an emphasis on localism and a rejection of outside, 'big' interests.¹¹

Generally speaking development associations see themselves as operating within the 'small is beautiful'¹² ideological framework. In essence this approach emphasizes small business concentrating on locally controlled resource development utilizing intermediate technology with labour intensive means of production. The associations see their role as preparing the groundwork for private entrepreneurial development by small business. According to a recent survey¹³ some 81% of the associations would rather refrain themselves from owning commercial assets in favour of stimulating private sector activity. They tend to strongly support individual initiative. As one association wrote:

"Personal initiative is viewed by the association as one of the fundamental concepts of development. The association is of the opinion that holding out benefits to people who

have made no effort in obtaining them is not a benefit at all."¹⁴

In a formal presentation to the Royal Commission on Employment and Unemployment in October, 1985, the Rural Development Council defined the movement in terms of localism and self-reliance:

"a movement without 'isms', rooted in a shared commitment to a particular way of life and a belief in the rich resources of the land and the sea. People were determined to stay where they were, to make do with what they had and to seek 'prosperity' on their own terms, not those imposed from the outside. They began working together, putting aside past rivalries in an effort to make themselves heard and to influence, perhaps for the first time in their history, the decisions being made in the distant capital."¹⁵

i) **The Rounder**

The Rounder was the official organ of the movement, published by the council from 1975 until 1982 when it ceased publication after the government withdrew its financial support for the magazine. It had a circulation of just over 8,000. While the following quotations are by necessity selective, they are consistent themes throughout the course of the magazine.

The Rounder portrayed development associations as volunteer organizations that had "evolved slowly from the level of simple reaction to rural stagnation to planned action in social and economic development"¹⁶ and reached "a level of organization and citizen participation unequalled in virtually any other province in Canada".¹⁷

The Rounder portrayed provincial public policy in rural development as practical but limited in overall influence because it was "theoretically conceived on the wrong side

of the blanket, owing less to grand models ... than to hands-on, practical experience"¹⁸ because government was still "caught up in the glamour of the old ways"¹⁹ in pursuit of industrial development. The national government was considered even more oppressive - "big brother on the banks of the Rideau."²⁰ Given the experience of rural Newfoundlanders with state initiated development programs this is certainly fair comment.

Yet on the other hand the council sought to work closely with government adopting "a policy of close liaison with government departments in an attempt to influence policy before it was finished ... a low-keyed, low profile approach."²¹ It portrayed the council "not as a lobby group in the true sense of the word" but rather "more concerned with fostering dialogue."²² Overall:

"we are convinced that planning for development of the province cannot be effective unless there is a true and complete partnership between people's organizations and the political and bureaucratic arms of government."²³

This ambivalent attitude towards the state is typical of petit-bourgeoisie ideology.²⁴ On the one hand the movement seeks to work in partnership with the state and on the other hand the oppressive elements of the state are also recognized.

The ire of the more conservative elements of the movement as portrayed in the Rounder was directed largely towards the act of Confederation in 1949 and its destruction of a way of life. Confederation was condemned as "an act of submission ... a renunciation of all that had gone before"²⁵ containing "a lack of imagination, greed, avarice and stupidity ... we turned belly-up and the Canadian wolf was quick to rip out our guts."²⁶ It was an act of "self-induced cultural amnesia ... we aimlessly followed on

the heels of a populist pied piper as he led us willy-nilly into the brave new world."²⁷ The cost of Confederation to Newfoundland was considered too great - "Were the smokestacks of industry worth so much that we had to deny one's being, one's very existence?"²⁸

This nostalgia for a romanticized lost way of life is very typically petit-bourgeoisie, as is the direction of anger or blame at outside forces that disrupted the traditional ways. It was not only the Rounder that contained these provincial nationalist sentiments. A council presentation to the 1977 Task Force on Canadian Unity was virulently anti-Canadian.

The Rounder also occasionally published articles by academics from Memorial University - the intelligentsia, on subjects such as fisheries, rural development and history, all cast within the general framework of petit-bourgeoisie ideology.²⁹

Throughout its existence The Rounder extolled the virtues of Newfoundlander's rugged individualism, strong and vibrant culture, self reliance and resistance to the crass commercialism of mainland interests. It is evident that the Rounder contained strong provincial nationalist elements. Altogether the Rounder presented a strong conservative populist³⁰ ideology that contained the following elements:

- . a strong belief in a much romanticized rural way of life that was being destroyed by outside interests/industrialization.
- . a wisdom in the people superior to that of bureaucrats and planners.
- . small is beautiful development philosophy.
- . an emphasis on localism.

ii) Neo-Nationalism

As James Overton points out in "Towards a Critical Analysis of Neo-Nationalism in Newfoundland",³¹ neo-nationalist sentiments were quite broadly based in Newfoundland but were essentially an expression of the activities and interests of the new petit-bourgeoisie class elements of intellectuals and civil servants. We have already indicated in Chapter Four how such sentiments were an important element in the emergence of the rural development movement in the 1960's. At that time the sentiments were inextricably bound to the rejection of industrialization policies and against the provincial government which was widely viewed as being subservient to the federal government. However these neo-nationalist sentiments became more and more a part of the provincial political milieu following the election of a provincial Conservative party which attempted to promote development through control of natural resources in particular the fishery and later undersea oil resources. These attempts brought the provincial government into political conflict with the federal government. The provincial Conservative Government, especially under Premier Peckford in the late 1970's and 1980's, expressed a political philosophy welding together elements of popular culture and economic nationalism³² into a conservative populist approach that in effect appropriated the rhetoric of the movement. Thus the movement's ideology became subsumed within the larger political framework and at the ideological level at least the movement was unable to mobilize against the provincial government even if it had wanted to. This appropriation of the movement's ideology was a very crucial element in the provincial government's co-option of the movement itself.

IV. SUMMARY

It is clear from this analysis that the rural development association movement was initially dominated by the small capitalist and new petit-bourgeoisie classes and later displayed a more plural mix of special interests that involved elements of these classes in addition to the proletarian class. The increased participation of the proletarian class was largely at the general membership level with the petit-bourgeoisie continuing to exert strong influence over the leadership and to dominate membership of the council. This is especially significant in terms of the ideological function performed by the council. On the whole our analysis of the composition of the movement confirms our initial definition of peripheral-based social movements, that is a movement of workers and producers tied together by elements of the new petit-bourgeoisie class.

In the ideological sphere the movement contains strong conservative populist appeal to the inherent wisdom of the people, an emphasis on localism and a rejection of outside, 'big' interests - the classic elements of petit-bourgeoisie ideology. After an initial period of hostility towards the provincial political regime, the movement adopted a view of the state as essentially a partner in the process of rural renewal. It is to this relationship between the movement and the state that we now turn.

FOOTNOTES

1. E.F. Schumacher, Small is Beautiful. A Study of Economics As If People Mattered, Abacus, (London, 1974).
2. Rounder, Vol. 3 #3, Nov. 1977, p. 22, published by the Newfoundland and Labrador Rural Development Council.
3. Building on Our Strengths: The Report of the Royal Commission on Employment & Unemployment in Newfoundland and Labrador, p. 366
4. Henry Veltmeyer, Canadian Class Structure, Garamond Press, (Toronto, 1986) Chapter 2.
5. *ibid.*, pp. 47 and 73.
6. Historical Statistics of Newfoundland and Labrador. Vol. II (I), calculated from Table K-7, K-8. 1985 calculations from Fisheries Policies and Community Development: Proposal for a Revised Approach to Managing the Inshore Fisheries in Newfoundland. Royal Commission on Employment and Unemployment, Newfoundland and Labrador, (1987) Tables 7-3, 9-1.
7. Veltmeyer makes reference to the difficulties of assigning semi-professionals such as teachers to the new petit-bourgeoisie or proletarian class. See Veltmeyer, *op. cit.*, chapters 4 & 5.
8. R. James Sacouman, "Regional Uneven Development, Regionalism and Struggle", in Introduction to Sociology. An Alternative Approach, General Editor, J. Paul Grayson, Gage Publishing Limited, (Toronto, 1983) p. 164.
9. Peter Sinclair, "Class Structure and Populist Protest: The Case of Western Canada", in Canadian Journal of Sociology Vol. I, 1975.
10. Nicos Poulantzas, Classes in Contemporary Capitalism. New Left Books, (London, 1975) pp. 40-41.
11. Sinclair, *op. cit.*
12. Schumacher, *op. cit.*
13. A Proposal for Comprehensive Rural Development through Canada-Newfoundland Rural Development Subsidiary Agreement III, First Draft, p. 27.

14. Rounder, Vol. 1, #2, p. 6, "The Baie Verte Peninsula Economic Development Association."
15. Newfoundland and Labrador Rural Development Council, "Brief to the Royal Commission on Employment and Unemployment in Newfoundland and Labrador", St. John's, October 29, 1985.
16. Rounder, Vol. 1, #8, Jan. 1976, p. 5.
17. *ibid.*, p. 5.
18. *ibid.*, p. 4.
19. *ibid.*, p. 4.
20. *ibid.*
21. Rounder, Vol. 3, #3, Nov. 1977, p. 2.
22. Rounder, Vol. 4, #6, Jan. 1977, p. 43.
23. Rounder, Vol. 1, May 1979, editorial, p. 4.
24. Poulantzas, *op. cit.*, pp. 290-299.
25. Rounder, Vol. 4, #7, March, 1979, p. 4, editorial.
26. quoted in the Rounder, Vol. 3, #3, Nov. 1977, p. 22.
27. *ibid.*
28. *ibid.*
29. See for example David Alexander, "Some Historical Perspectives on Joint Ventures in the Fishing Industry", March, 1976, "The Challenge to Develop", Albert Perlin, March 1976, "Development Policies in Newfoundland, Gordon Inglis, January, 1976.
30. For a discussion on populism see John Richards, "Populism: A Qualified Defence", in Studies in Political Economy #5, Spring, 1986; John F. Conway, "The Nature of Populism; A Clarification", in Studies in Political Economy #6, 1981, and J.F. Conway, "Populism in the United States, Russia, and Canada: Exploring the Roots of Canada's Third Parties", in Canadian Journal of Political Science, XI:I, March, 1978.

31. James Overton, "Towards a Critical Analysis of Neo-nationalism in Newfoundland", in Brym and Sacouman, eds. Underdevelopment and Social Movements in Atlantic Canada, New Hogtown Press, (Toronto, 1979).
32. Ottawa author Sandra Gwyn coined the phrase 'Newfult phenomena' to describe this. For detailed description see Rick Johnstone, "In Praise of Peckford", This Magazine, Vol. 15, 1981. James Overton and Brian O'Neill, "Will the Real Brian Peckford Please Stand Up", This Magazine Vol. 15 #4, and Douglas House, "Premier Peckford, Petroleum Policy and Popular Politics in Newfoundland and Labrador", in Journal of Canadian Studies #17, 1982-83. For Peckford's own view see A. Brian Peckford, The Past in the Present: A Personal Perspective on Newfoundland's Future, Jesperson Press, (St. John's, 1986).

CHAPTER SIX

THE ROLE OF THE STATE

I. INTRODUCTION

The primary function of the state in a capitalist society is to create and maintain conditions conducive to the accumulation of capital. However, as James O'Connor¹ argues, in the exercise of that role the state carries out two apparently contradictory functions, those of accumulation and legitimation; the legitimation function being necessary for social harmony and to offset the negative social consequences of accumulation.² In the case of regional development, or in our specific case rural development in Newfoundland, the state acts both as a creator of employment through its many job creation activities and a social control mechanism through the exercise of participation with the development groups. As we have shown in the preceding Chapters the movement sees itself as participating with the government as a partner in a program of rural renewal. In this Chapter we will examine how the state manages these functions and consider how, in the conduct of its activities, the state co-opted the movement to its purposes.

II. Government Assistance to the Rural Development Association Movement

As we have seen the movement, during its early period and before the establishment of rural development as an issue in public policy, had the general characteristics of a populist social movement and an anti-government stand on most issues. Government in response was either indifferent or openly hostile. The only public

policy instrument for dealing with the associations was the Agricultural Rehabilitation Development Act (ARDA) program administered through the provincial Department of Community and Social Development, which had as its major task the resettlement of rural communities. Except for this modest effort the government response to the associations was generally indifference laced with hostility whenever the associations were critical of government policies.

This attitude appeared to change with the election of the Moores Conservative Government and the establishment of a provincial Department of Rural Development. Although the Department was established in 1972, not much activity was undertaken until the signing of the ARDA III agreement in 1974. The interim period was largely taken up with restructuring the government departments and boards to administer the program. (Table 6-1 contains a list of federal-provincial agreements for rural development).

Although there were only 17 development associations in existence when the ARDA III agreement was signed they were identified as the delivery system for the government's rural development program:

"Although such organizations as co-operatives, sector associations and town councils can make an important contribution to this process, the most promising organizations in terms of development activity are these Associations."³

Local government had been slow to develop in Newfoundland and it was felt that municipal councils were not appropriate vehicles for rural development: "excluding a few major centres, they are generally too recent and too weak to provide assistance."⁴ Even the development associations were thought to be weak instruments for the promotion of

Table 6-1

FEDERAL-PROVINCIAL AGREEMENTS OF RURAL DEVELOPMENT

<u>Year</u>	<u>Program</u>	<u>Value</u> <u>(Millions)</u>
1966-1971	ARDA II	2.9*
1974-1978	ARDA III	2.8
1978-1983	Rural Development I Subsidiary Agreement	16.8
1984-1988	Rural Development II Subsidiary Agreement	18.2

Source: Compiled by author

* Only a small portion of this was spent on development association activities.

development. They:

"Are still a far cry from what may be possible for them and from what would be considered well functioning organizations in our urban sector and in other provinces." [But] "they have reached a certain plateau. With proper assistance we feel that the time is ripe for Development Associations to advance from the level they have now reached. The situation is almost to the point now of develop or perish, for unless other catalytic factors are introduced it is feared what has been accomplished may disappear."⁵

These catalytic factors related to government assistance to development associations in the form of i) seed money for administrative purposes, ii) organizational and project planning assistance through government fieldworkers including educational and information services, iii) project funding.

i) Administrative Funding

An administrative grant of \$10,000 was given to cover the operating costs of the association and to hire a local worker who would carry out the day-to-day duties of the association. This local worker reported to the development association. His role was to help organize and maintain the association, carry out various research and administrative tasks, and act as liaison with the government.

"As a full-time employee, he has the time and freedom to assist in organization of the association, maximize local involvement in decision-making and goal setting, undertake economic studies for the Association, be aware of government programs, act as liaison with government, represent the Association on the Newfoundland and Labrador Rural Development Council, help maintain the regional nature of the Associations, and undertake the usual business and administration of the Associations."⁶

(The reference to the fieldworker representing the association on the Rural Development

Council is not accurate. Representation on the council is from volunteer directors.)

To qualify for an administrative grant, a development association was required to:

- i) have its boundaries accepted by the department;
- ii) be incorporated;
- iii) hold a seminar sponsored by the department;
- iv) have representation from 75% of the communities within an association's area.⁷

For renewal the association had to submit an annual audit report and quarterly activity reports to the department.

The administration grant was increased to \$12,500 under the ARDA III agreement, \$16,500 under the RDSA I and \$26,500 under RDSA II. These increases are a reflection of the increasing costs of administering the associations and do not reflect any change in role.

ii) Organizational and Project Planning Assistance

1. Role of Government Fieldworkers

The day to day contact between the department and the development associations was through a network of department fieldworkers - usually averaging about ten in number. Their role was two-fold - to act as "agents of change" and as "monitors of change".⁸ As agents of change their role was defined as catalytic, mainly an assistance role although "an active rather than passive assistance role."⁹ Fieldworkers were to give direction of the "minimal and guidance type"¹⁰ rather than be directive. While their job was to encourage participation they were also directed to influence the composition of

the associations to the extent that they were to give "diplomatic guidance ...so the association is not dominated by any socio-economic, religious or ethnic group."¹¹ They assisted in the organization of development associations, training and, as the association became more mature, assisting with project planning and implementation.

Their work focus was on economic and social goals as facilitators of participation and development. They worked exclusively with development associations although in that role they were also sometimes called upon to mediate and conciliate local and community conflicts.¹²

The other aspect of the fieldworkers' role as monitors involved them in a more traditional civil servant role. Fieldworkers reported regularly to the department on development association activities within their regions and made recommendations on project and administrative funding to associations. In some cases this involved recommending that associations not receive administrative funding.¹³ Obviously the government fieldworkers were in a very powerful position with regard to the associations.

Development associations were generally favourable to the fieldworkers in spite of their dual role. A study of the ARDA III program by the Atlantic Provinces Economic Council (APEC) in 1976 indicated a positive response from development associations with regard to the government fieldworkers.

"Relations between an Association and the Department of Rural Development was very positive (in most cases 'very good'), and in some instances 'excellent'."¹⁴

A later statement in the report is indicative of how the focus for organizing associations

had shifted from the local population to the state:

"The Atlantic Provinces Economic Council is convinced of the important and necessary role provided by members of the field staff of the Extension Division in that they provide the proper guidance, assistance and incentive to these regions of the province interested in forming Regional Rural Development Associations."¹⁵

2. Educational and Information Services

The major contribution in this area was through the provision of training seminars for development associations. These training sessions were designed to give development associations the skills needed to run their organizations and concentrated on developing meeting management skills, parliamentary procedure, conflict resolution, group dynamics and financial management. These seminars were conducted by training staff from the Department of Rural Development. Development associations were required to attend these seminars as a condition of receiving funding.

One result of these programs of administrative funding, fieldworker assistance and training was a rapid increase in the number of associations. Between 1974 and 1982 the number of associations grew from less than 17 to 48. Some existing associations were required to adjust their geographical boundaries while others such as NRDA that refused to adjust to the government guidelines were refused funding and eventually dissolved. Another result was the adoption of standardized organizational guidelines so that all associations adopted the same basic structure and received the same training from the government department.

With their wide range of responsibilities (and power) the department fieldworkers

became the driving force behind the formation of new associations as well as influencing their more plural composition through education programs and 'diplomatic guidance'.

iii) Project Funding and Job Creation

In addition to providing support services for participatory development, the department's other major role consists of providing capital assistance to development association projects. A review of project activities and funding arrangements since the beginning of the movement shows a vast array of funding arrangements mostly through federal sources. Table 6-2 is taken from a survey of funding sources (1972-1982) conducted by the rural development council. It shows a total of 45 million dollars spent during that 10 year period of which only 5.4 million or 12% came from the department. The vast majority of funds came from the various federal programs such as Canada Works. Between 1984 and 1987 development associations sponsored a total of 1200 projects with a total value of \$43,997,764. Of this \$4,800,174 or 10% came from the RDSA II program.

Altogether some \$90,000,000 in project funding has been funnelled through the development associations of which \$10,000,000 (11%) came from the department. Out of this funding the associations have created some 19,000 jobs almost all short-term construction jobs. Fewer than 200 permanent jobs have been created. (See Table 6-3).

Even though state sponsored activities of rural development do result in temporary job creation and the creation of infrastructure these activities have to be considered among the legitimization functions of the state. The results of such activities amount not to development as such but rather contribute to social and political stability and the

Table 6-2**Sources of Funding to Development Associations (1972-1982)**

Canada Community Development Projects	12,414,940
Canada Works	9,118,550
RAND	5,430,450
Small Craft Harbours	2,937,150
LEAP	2,027,552
LIP	1,982,020
Federal Public Works	1,562,000
Provincial Fisheries	1,407,570
CMHC	1,171,906
Federal Fisheries	1,053,980
Provincial Department of Forestry	803,000
NEED	744,880
Young Canada Works	663,600
CEIC	637,260
Unemployment Insurance Commission	607,380
CESA	417,000
Department of Social Services	414,850
Federal Department of Mines & Energy	344,000
Student Employment Program	277,220
Department of Transportation	151,500
Department of Municipal Affairs	139,000
Private Industry	121,617
Miscellaneous	108,135
Associations own Funds	99,143
Secretary of State	71,809
Department of Recreation	62,000
Various Federal Departments	60,000
ARDA	56,388
School Boards	51,000
Department of Tourism	36,000
Provincial Department of Health	32,500
Provincial Public Works	16,000
Department of Agriculture	10,000
College of Fisheries	7,200
Various Provincial Departments	4,000
Town Councils	3,000
Fund Raising	<u>2,640</u>

45,052,440**Total Projects****769****Source: Regional Development Associations in Newfoundland Labrador: A Project Inventory.**

Table 6-3

JOB CREATION 1972-1987

<u>Job Creation</u>	<u>1972-1982</u>	<u>1984-1987</u>
Short Term	6,627	-
Seasonal	795	-
Part-time	339	-
Permanent	181	-
Totals	7,942	11,497
TOTAL	<u>19,439</u>	

Source: A Project inventoryand RDSA III

maintenance of the rural labour force through temporary employment.

Thus the government's involvement with the associations in the economic sector creates a difficult conundrum for the movement. On the one hand the need for employment in the communities is considerable - indeed the communities represented through the movement suffer the highest unemployment rate in the country. On the other hand the readily available solutions provide only temporary employment and as we have demonstrated in Chapter 4 contribute mainly to public amenities and infrastructure rather than a program of rural development as such. Project proposals from associations are amended and designed to fit the criteria of government programs which have as their main purpose the creation of temporary employment and the qualification of recipients for unemployment insurance. Thus the associations became funnels for the transfer of federal dollars into the communities. The importance of this to the communities is indicated by the fact that in some regions of rural Newfoundland during the 1980's the associations were the largest single employers during the winter months.¹⁶ Unfortunately in the process the addressing of the immediate needs mitigates against the addressing of long-term needs.

The benefits of this arrangement for the state are considerable. In the first place it transfers responsibility for the rural unemployed to the associations. In accepting this responsibility the movement also accepts the dominant economic logic of the state and acts as the kind of surrogate or buffer in the community. Thus dissatisfaction or protest which could have otherwise become directed towards the state becomes internalized and the status-quo maintained.

III. SUMMARY

The process of state co-option of the rural development association movement occurs essentially through two parallel processes. One is through the organizational and 'participatory' processes instituted by the state that the associations must undertake for fear of loss of administrative funding and recognition. The other is through the provision of temporary project funding which forces the associations to focus on short-term employment projects rather than a program of rural development.

Our thesis however does not rest on this evidence alone. All of the factors outlined in the preceding chapters contribute to the situation in rural Newfoundland today. It is to a review of these factors and our overall conclusions that we now turn.

FOOTNOTES

1. James O'Connor, The Fiscal Crisis of the State, St. Martin's Press, (New York, 1973) p. 6.
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3. ARDA III. Nfld Rural Development: A cost sharing program of Rural Development under the federal-provincial 1971-75 ARDA Agreement. p. 26.
4. *ibid.*, p. 7.
5. *ibid.*, p. 16.
6. *ibid.*, pp. 39-40.
7. Frederick Johnstone, "Rural Development in Newfoundland: The Newfoundland Rural Development Program in the 1970's", Department of Sociology, Memorial University, (St. John's, 1980) p. 39.
8. *ibid.*, p. 40.
9. *ibid.*
10. *ibid.*, p. 42.
11. Government of Newfoundland and Labrador, Submission to Rural Development II Subsidiary Agreement (1982). p. 2.6.
12. Johnstone, *op. cit.*, p. 64.
13. *ibid.*, p. 47.
14. Atlantic Provinces Economic Council (APEC), An Evaluation of the ARDA III Newfoundland Rural Development Program. Its Performance Effectiveness and Impact, March 31, 1976. p.
15. *ibid.*

16. Richard Fuchs, "Half a Loaf is Better Than None: The Newfoundland Rural Development Movement's Adaptation to the Crisis of Seasonal Unemployment", a paper presented to the Second Conference on Provincial Social Welfare Policy, University of Calgary, May, 1985, p. 17.

CHAPTER SEVEN

CONCLUSIONS

I. CONCLUSIONS OF STUDY

In this Chapter we draw together our evidence as it is presented in the preceding Chapters and attempt to provide answers to our inquiry into the rural development association movement and its failure to reverse the continuing rural decline in Newfoundland and Labrador.

i) Origins

The questions related to the origins of the rural development association movement have to do first of all with the historical forces that influenced the movement as well as the immediate conditions from which the movement emerged. Our analysis reveals that there are two patterns of underdevelopment that need to be considered. The first under merchant capital created a rural society comprised largely of independent commodity producers and semi-proletarian workers living in hundreds of small isolated villages with little or no local secular organizations. Public or political participation was almost non-existent. The general conditions of economic existence such as isolation and economic servitude to the merchants discouraged the emergence of social movements as did the religious factionalism that mitigated against the development of class interests or class consciousness among the rural people. Altogether the pattern of underdevelopment under merchant capitalism created a rural society characterized mainly by isolation and fragmentation; conditions that continued in the more rural parts of the province in spite

of post-Confederation attempts at industrialization.

The pattern of underdevelopment following Confederation with Canada in 1949 was based on efforts to create a modern industrial society. It demanded a wrenching adjustment of the rural society, the consequences of which were devastating in terms of physical dislocation, social segmentation in terms of a more complex rural class structure, and economic dislocation in that people were relocated from their traditional occupations into growth centres for industrial development. While the material conditions of existence had improved under the Canadian social welfare system, the promises of industrialization did not materialize and the process of rural decline continued. In these circumstances the development of an alternate ideology among rural people that shunned industrialization and demanded the return to a lost way of life need not be considered as rural romanticism, but as a not unreasonable reaction to the destruction of their economic base and means of obtaining a livelihood. They were "impelled by their objective life situation"¹ to seek an alternative to the failed policy of industrialization.

The catalyst in this situation was the new petit-bourgeoisie class which had expanded considerably in the rural society as a result of the underdevelopment patterns in the first two decades of Confederation. This pattern of underdevelopment had expanded, if not actually created, the class elements that were to figure prominently in the protest against state policies and programs.

Altogether the conditions of underdevelopment and the complex variations in the class structure provided the conditions for the emergence of the movement.

ii) Composition

The questions concerning the composition of the movement included - who mobilized the movement in the first place? Who were its members, both leadership and base, and how did the composition of the movement change over time? Whose interests were represented in the movement and whose interests were excluded?

Our analysis of the membership reveals that the movement was mobilized by elements of the petit-bourgeoisie who provided the bulk of the total membership in the early phase of the movement as well as dominating the leadership positions. During its second or institutionalization phase the proportion of petit-bourgeoisie membership declined as the movement adopted a more plural composition but the petit-bourgeoisie continued to exert strong influence over the leadership positions, as well as continuing to dominate the membership of the rural development council.

One reason for the more multi-class character of the movement during its second phase was the work of the government fieldworkers who were directed to ensure that the associations were not dominated by any one class or interest group. Another reason for the increased participation of proletarian and semi-proletarian elements no doubt was the increasing function of the associations as sponsors of temporary make-work projects.

The most significant group excluded from membership is organized labour. It is noteworthy that the rural development association movement and the fishermen's union both emerged at the same time and in response to many of the same conditions yet they have never created an alliance on any issue. This also is indicative of the dominant class interests and the overall conservative ideological focus of the movement.

iii) Ideology

The questions concerning the ideology of the movement included - what set of beliefs was used to mobilize the movement as a whole and how did this ideology inform the various activities of the movement? How did this ideology conflict or conform with the dominant ideology of the state?

The ideology of the movement as addressed in Chapter Six contains the classic elements of petit-bourgeoisie ideology with its focus on localism, the rugged individualism of the outport fisherman, and the rejection of outside, 'big' interests. It contains strong conservative populist elements and in the first phase of the movement was utilized to mobilize rural people against the industrialization and modernization policies of the provincial government. During the second phase of the movement when the provincial government became actively involved in promoting rural development, the movement's ideology became absorbed within the conservative populist ideology of the provincial government (especially under Premier Peckford). In this context the ideological focus of the movement did not appear to be in conflict with the local state, rather it appeared in support of the local state in political conflict with the national state. This transference of the ideological struggle from the terrain of class conflict to the level of regional or subnational conflict is consistent with the careers of social movements in the periphery² and, in the context of this study is an important aspect of the co-option of the movement's ideology by the local state.

iv) Activities

The questions related to the activities of the movement included - what kinds of

activities did the associations pursue? What kinds of activities did the associations choose not to pursue and for what reasons?

During its first phase the movement engaged in a variety of activities ranging from political protest, to local economic control through co-operatives, and pilot project experimentation in co-operation with the government. During its second phase the range of activities was narrowed considerably amounting to little more than administering policies and programs established by the state. The reasons for this narrowing of focus are related to the influence of the state in terms of defining what it considered to be appropriate behaviour and activities for the associations and tying this to the funding arrangements provided. The ideological focus of the movement's leadership, in particular the rural development council, and their desire for legitimation, were also factors in determining the activities of the movement - perhaps moreso in determining activities that the movement would not engage in (eg. political action) than in determining the activities per se.

v) Relationship to the state

The questions related to the movement's relationship to the state included an analysis of this relationship and how it changed over time.

The movement emerged initially as a challenge to the provincial government policies of industrialization and modernization so during its first phase it is not surprising that relations between the movement and the provincial government were antagonistic. The federal government was viewed as a distant power, generally colonialistic in its attitude and far removed, though influential in the everyday lives of rural people.

It is during the second phase that the movement's ambivalent attitude towards the state is firmly evidenced. This period of expansion and growth is due in large measure to the financial and educational support of the state. These programs created a standardized organizational format for the associations, provision of operating funds, the hiring of a local fieldworker and project funding. While being promoted by the movement as evidence of a partnership arrangement with the state, these activities in reality amount in essence to the co-option of the movement - its primary function being to administer programs and policies established by the state. Our analysis of these activities reveals that their primary purpose is to relieve chronic unemployment through the provision of temporary make-work projects.

On the basis of this evidence we conclude that the reasons for the failure of the movement have to do mainly with the fact that the movement is trapped - constrained at one level by its relationship to the state, at another level by its internal class composition and ideological focus, while at the same time pressured to address the immediate needs of its constituents. The result is routinization³ and basically what amounts to co-option or inclusion in the state's apparatus.

II. CONTRIBUTIONS OF STUDY

It is hoped that this study will contribute to a political economy of Newfoundland and Labrador as well as to a further understanding of peripheral-based social movements. While confirming the basic character of rural based social movements as comprised of workers and producers tied together by elements of the petit-bourgeoisie class, it explores

the particular dynamics of the interactions of the various class elements in particular the new petit-bourgeoisie and indicates the complexity of class relations in rural societies. This study also outlines in detail the particular historical factors and immediate conditions that caused the movement to emerge and points to the importance of these factors in addressing the career and trajectory of a social movement.

The role of the state and its interaction with the movement was central to addressing the changes that took place over the life of the movement. This study indicates the capacity of the state to accommodate a social movement and adjust it to its purposes by satisfying some immediate goals at the expense of long term change.

One further contribution of this study lies in its debunking of the myth of a comprehensive rural development program. Rural development in this context exists not as an alternative but as an adjunct and operates mainly as a mechanism of social control by the state. On the positive side this study suggests that a meaningful program of rural development must first of all forego the tendency to view rural people as a quiescent, homogeneous mass and consider the class complexities in rural society when addressing social change.

III. IMPLICATIONS FOR FURTHER RESEARCH

Throughout this study I have made a number of references to the debates involved in the study of social movements as well as to the complexity of analyzing the internal dynamics of rural societies under stress. Further research in the following areas ought to contribute to a better understanding of this phenomena.

1. What is the relationship between the new and the traditional petit-bourgeoisie in rural societies? Do they share enough common elements in their ideological ensembles to formulate a common vision?
2. What are the boundaries of class demarcation in the fishery? Is semi-proletarianization a transitory stage to proletarianization or is it a more or less permanent feature of rural society?
3. The Fishermen's Union arose at the same time and in many of the same villages as the rural development association movement. Yet these two prominent movements have never established alliances. A study of this movement and its relationships should add to our knowledge of peripheral-based social movements.
4. Finally, there is a great need for research into the area of development models that can transfer power and control into the hands of rural people. At this stage the state exercises tremendous power in its relationships with rural people and the results, in terms of regional development, have been at the very least, minimal.

FOOTNOTES

1. Henry Veltmeyer, Understanding Society. A Political Economy Approach, St. Mary's University, (Halifax, 1985) p.496.
2. Renaldo Munck, Politics and Democracy in the Third World. The Case of Latin America, Zed Books, (London, 1984).
3. Samuel D. Clarke, J. Paul Grayson and Linda M. Grayson, eds. Prophecy and Protest: Social Movements in Twentieth Century Canada, Gage Publishing Ltd. (Toronto, 1975) p.31.

APPENDIX

<u>Associations Incorporated</u>	<u>Date Incorporated</u>
Greater Lamaline Development Association	August 30, 1971
Cape Shore Area Development Association	August 7, 1972
Placentia Area Development Association	May 26, 1972
Bay d'Espoir Development Association	June 14, 1972
Eastport Peninsula Committee for Development of Progress	June 19, 1972
Fogo Island Improvement Committee	October 26, 1972
Lewisporte Area Development Association	May 26, 1972
Exploits Valley Development Association	November 28, 1972
Humber Valley Development Association	July 14, 1972
Codroy Valley Development Association	September 28, 1972
Southwest Coast Development Association	February 2, 1972
South Coast Regional Development Association	June 19, 1972
Bell Island Development Association	December 4, 1974
Twillingate-New World Island Development Association	October 1, 1974
St. Barbe Development Association	October 23, 1992
Southern Shore Development Association	September 18, 1975
Southern Avalon Development Association	September 18, 1975
Upper Trinity South Development Association	February 6, 1975
Bonavista Development Association	December 10, 1975
Bonavista North Shore Development Association	September 18, 1975
Red Indian Lake Development Association	December 10, 1975
Green Bay Economic Development Association	August 21, 1975
Baie Verte Peninsula Economic Development Association	August 21, 1975
White Bay South Development Association	December 10, 1975

White Bay North Development Association	November 5, 1975
Central Development Association	July 9, 1975
Bonne Bay Development Association	September 18, 1992
Bay St. George Development Association	May 29, 1975
Southern Labrador Development Association	May 29, 1975
Gambo-Indian Bay Development Association	December 14, 1977
The Straits Development Association	March 30, 1977
Placentia West Development Association	September 7, 1978
Port Blandford-Winterbrook Development Association	September 7, 1978
Barachois Development Association	October 6, 1978
White Bay Central Development Association	May 3, 1979
Carmelita Development Association	July 6, 1979
Isthmus Area Development Association	May 9, 1979
Alexander Bay-Terra Nova Development Association	June 27, 1979
Gander Bay-Hamilton Sound Development Association	May 3, 1979
Bay of Islands South Shore Development Association	September 6, 1979
Port au Port Economic Development Association	August 7, 1979
Eagle River Development Association	June 25, 1979
East Shore Labrador Development Association	June 25, 1979
St. Mary's North Development Association	April 10, 1980
Random North Development Association	June 6, 1980
Fortune Bay East Development Association	February 6, 1981
Conher Development Association	August 18, 1981
South West Arm Development Association	April 24, 1981
Conception Bay Centre Development Association	October 29, 1981
Fortune Bay North Shore Development Association	August 31, 1981
McKani Development Association	-
Penguin Development Association	-

Cape Freels Area Development Association

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