

I Did It My Way: Smallwood's Economic Development Policies

Book Review

Marc Best, Memorial University

Ray Guy's book *Ray Guy: The Smallwood Years* offers the reader of Newfoundland politics a satirical, yet incisive observation of political life in the province from 1963 to 1970. The text is a collection of writings and articles from Guy's *Evening Telegram* pieces that bravely challenge the premier of Newfoundland, Joey Smallwood, and his emperor-like grip on the province and its policies. Guy uses his acerbic wit and infallible political commentary to rail against Smallwood and his policies, particularly that of economic development and resettlement or centralization. Smallwood's philosophy of "develop or perish" regarding the economy, and his two phases of development, industrialization and mega projects, are scorned by Guy in his satirical and often humorous articles. Come By Chance, Long Harbour, and Churchill Falls, to name a few, are the brain child of Smallwood, and results in attacks by Guy regarding the inefficiency and unsuitability of the projects in the province. When compared to academic writings about political life during this period, Guy displays an astuteness that is similar to the observations by political scientists, historians and policy analysts alike.

Immediately following Confederation, the flow of family allowances, old-age pensions and federal unemployment insurance benefits gave many Newfoundlanders their first cash incomes and created the beginnings of a new economic structure. These social programs were significant in giving Smallwood widespread support in out port and rural areas where the impact of these programs was the greatest¹. Despite initial success, Smallwood needed to seek out other avenues for economic development because Newfoundland's economy was in shambles. Smallwood chose to seek investment from outside the province, turning his back on pre-Confederation manufacturers, putting them out of business². Smallwood had a "develop or perish" alternative to Newfoundland's economic woes, which simply meant that 'we must develop and create jobs or our people will go out of the province to get jobs they can't get here'³, in the words of the former Premier. This drew the ire of many, but few were courageous enough to publicly chastise Smallwood. Ray Guy was willing to put his observations on paper and publish his disdain for this policy in *The Evening Telegram*. His concern for the populace of Newfoundland is evident when he mentions the plight of the ordinary folk of Baie d'Espoir. The impending development would have an adverse affect according to Guy because "when the hydro development project is finished and the 2,000 workmen leave the province to a maintenance staff of 30 their newfound prosperity will go with them...unless the factories move in"⁴. He says there is an eagerness about the project but it is met with "apprehension" by the residents of Baie d'Espoir. Guy highlights this apprehension because Smallwood's first phase of economic development, industrialization, ultimately failed due to the small Newfoundland

¹ Boswell, Peter, *Political Science 3780, Course Manual, Chapter 5: Economic Development*, pp. 2.

² Boswell, Peter, *Political Science 3780, Course Manual, Chapter 5: Economic Development*, pp. 3.

³ Boswell, Peter, *Political Science 3780, Course Manual, Chapter 5: Economic Development*, pp. 4.

⁴ Guy, Ray, *Ray Guy: The Smallwood Years*, Boulder Publications: Canada, 2008, pp. 67.

market, inability to compete with mainland firms, need to import raw materials, inefficient management, outdated tools and machinery and overall unsuitability⁵.

Another failed industrialization initiative was Industrial Development Loan Board (IDLB), which aimed to use government incentives to create industrial investment never really achieved its objectives, largely because of lack of suitable applications⁶. Guy's view towards these unsuitable ventures is highly satirical and often very funny. In one such article, Guy creates a fictional industry in the fictional town of Sen Sen Junction. The story is of a radio broadcast that is covering live, the official opening of a moose-dropping jewelry factory, with Premier Smallwood on hand to cut the ribbon. Guy pokes fun at Smallwood's emperor-like status by noting that the mayor of the fictional town ends up kissing the foot of Smallwood during the ceremony. In another section of the story, Smallwood satirizes Smallwood's attempt at industrialization further when it says, "As resources minister I foresee a great future for the moose-dropping jewelry industry I this province and forecast that before many years it will even outstrip the fishery"⁷. This passage explains Smallwood's attempt at giving incentives to unsuitable industries. Another very humorous satire is Guy's fictional account of the jubilation on the streets of St. John's with the announcement of the discovery of salt on the island. Guy progresses through the article by commenting that this discovery of salt is at the apex of all the other great announcements made by Premier Smallwood about other industries. He says that this announcement trumps all previous ones such as, chocolate bar factories, orange juice factories, quartzite, goat-breeding and others. His humorous rant takes a serious tone at the end of the article when he says, "At least we may get enough salt out of it so that everyone can take a grain with the next Great Announcement. Rebate or no rebate"⁸. The last paragraph alludes to Guy's view that all industries that are announced by the provincial government should be taken with a grain of salt because of their historical failures. Guy takes another shot at Smallwood's attempts at industrialization with the author's familiar fictional, yet satirical humorous tone. He comments that the partridgeberry, a Newfoundland staple, will become the basis of a great new industry in Harbour Grace. 1970 will become the year of the partridgeberry and Guy weaves through the article in a song sung by Smallwood whereby the Premier comments, "This wild fruit will be the basis of a great new industry. We will order a great work to be commenced immediately. A great partridgeberry complex for Harbor Grace"⁹. This humorous song is another version of satire used to display Guy's indignation towards Smallwood and his policy of industrialization. The author's views are echoed by academics who believe that Smallwood's first phase of economic development, industrialization, was a failure due to incompatibility with the province, in a time when Newfoundland spent nearly \$50 million on a series of industries that were failures¹⁰. Mega projects, Smallwood's second phase of economic development followed industrialization, and Guy continued to look at the Premier's policies with disdain.

⁵ Boswell, Peter, *Political Science 3780, Course Manual, Chapter 5: Economic Development*, pp. 6.

⁶ Boswell, Peter, *Political Science 3780, Course Manual, Chapter 5: Economic Development*, pp. 5.

⁷ Guy, Ray, *Ray Guy: The Smallwood Years*, Boulder Publications: Canada, 2008, pp. 123-124.

⁸ Guy, Ray, *Ray Guy: The Smallwood Years*, Boulder Publications: Canada, 2008, pp. 142-143.

⁹ Guy, Ray, *Ray Guy: The Smallwood Years*, Boulder Publications: Canada, 2008, pp. 242-243.

¹⁰ Boswell, Peter, *Political Science 3780, Course Manual, Chapter 5: Economic Development*, pp. 6.

After a failed attempt to foster economic development under an industrialization approach, Smallwood turned to massive projects based on natural resources. The Come By Chance Refinery, the development of Churchill Falls for hydroelectric power and the phosphorus plant in Long Harbor are a few examples of massive projects initiated by Smallwood that stressed jobs first and revenue for the province second. These ultimately shaky mega projects provided little economic return to the provinces and wasted millions of dollars of taxpayer's money in a variety of loans and subsidies in order to provide jobs¹¹. The author takes exception to the grandiose mega projects due to their damaging effects on the environment, mismanagement and political inefficiencies of the players, especially Smallwood.

Long Harbor is one such project for which Guy displays a particular disdain for, showing a more alarming tone, which is bereft of his usual satirical rants. Guy attacks the phosphorus plant at Long Harbor "great schools of herring were stricken by some strange calamity that nobody has yet explained" and "...there is no doubt that the Long Harbor plant IS polluting the waters of Placentia Bay. But what harm this pollution is doing and whether there is any connection between it and the dead red herring is another matter"¹². Guy is also upset at the long delay in results or any reports as to why the red herring was being killed at such a rapid rate. He ponders why even "laymen, who have not the slightest knowledge of marine biology," are asking questions surrounding the long delay, almost two months for results, when a fish is much less complex than a human. Guy states that the Department of Fisheries and Oceans are taking daily samples and compiling daily reports and there is still no word, finally wondering, "But two months is a long time. Too long."¹³. In an article published three months later, Guy responds to business running Long Harbor after they donated \$1 million to the people of Long Harbor for social purposes. In maybe his most scathing article of the book, Guy launches a volley of shots at the Newfoundland government, Joey Smallwood and the company running the enterprise at Long Harbor. He believes that industry does not really have the public consciousness in mind and the hefty donation is just an effort to "stuff distortions, half-truths, and lies down the throats of the public"¹⁴. Guy continues his aural assault by commenting, "How long before we have to start looking at the whole lot of them as a load of sly, greasy liars – and their every utterance a lie until it is proven otherwise?"¹⁵ The author alleges complicity between the government and industry and shows obvious disgust for Smallwood and his dodging of the issue by saying, "Our own dear leader prefers to escape the stink of red herring and scuttle off to Red China. The master architect of it all, father of this 'great new industry,' would rather be elsewhere". The author does not stop there casting more indignation on the Long Harbor fiasco by stating, "...the Long Harbor plant has done untold harm to the fisheries of Placentia Bay and Newfoundland. That it has robbed hundreds of fishermen of immediate income has placed their whole futures in jeopardy. Never mind. It's a 'great new industry'."¹⁶

¹¹ Boswell, Peter, *Political Science 3780, Course Manual, Chapter 5: Economic Development*, pp. 8-9.

¹² Guy, Ray, *Ray Guy: The Smallwood Years*, Boulder Publications: Canada, 2008, pp. 221-222.

¹³ Guy, Ray, *Ray Guy: The Smallwood Years*, Boulder Publications: Canada, 2008, pp. 221-222.

¹⁴ Guy, Ray, *Ray Guy: The Smallwood Years*, Boulder Publications: Canada, 2008, pp. 233-234.

¹⁵ Guy, Ray, *Ray Guy: The Smallwood Years*, Boulder Publications: Canada, 2008, pp. 233-234.

¹⁶ Guy, Ray, *Ray Guy: The Smallwood Years*, Boulder Publications: Canada, 2008, pp. 233-234.

Throughout the piece, Guy blasts the provincial government and its partnership with the enterprise in Long Harbor to distort the truth, and does it with a vitriolic tone, one that is much different from his lighter satire.

The refinery at Come By Chance represents another mega project which provided many jobs but direct revenue to the province through corporate taxes and royalties was minimal¹⁷. The author investigates the refinery further by saying that the refinery will provide 425 jobs but it will have cost the province \$155 million, which is not much of an economic return. Furthermore, Guy puts the number of jobs into context, stating that “425 jobs are little enough when we consider there are 16,000 people unemployed in the province and 7,000 or 8,000 are leaving the mainland each year.”¹⁸ Guy also questions Smallwood’s promises of a third mill in Come By Chance, highlighting the number of times Smallwood says “if”¹⁹, which illustrates the political ineptitude of Smallwood’s policies. This analysis by the author shows his keen observation of politics in the province and once again highlights Smallwood’s philosophy of jobs first and revenue second.

The development of hydroelectric power in Hamilton Falls, now named Churchill Falls, in Labrador, represented Smallwood’s greatest attempt to harness natural resources in an attempt to foster economic development. British Newfoundland Corporation (BRINCO) focused serious attention on hydro power after leasing 10,000 square miles of Labrador territory. Despite a rosy outlook, there was a problem getting power to a market. The logical route through Quebec was fraught with many demands from Quebec, such as rearranging the Quebec/Labrador boundary to full partnership in the project. The Anglo-Saxon route was much more circuitous and added one-third to the cost of the project²⁰. According to Guy, Smallwood had vigorously maintained that any transmissions route other than his “Anglo-Saxon” line was unthinkable and this stubbornness explains Guy, is what kept Newfoundland from acquiring the best deal possible²¹. Eventually, Quebec would purchase the power and would sell any surplus power to American markets, but Quebec ended up profiting nicely from the deal, because of certain clauses in the contract, and at present nets more than \$750 million annually from the power, while Newfoundland gets considerably less at \$70-\$80 million²². This mismanagement of Newfoundland’s natural resources constitutes the source of the author’s indignation towards Smallwood and his questionable industrial plots and financially perilous mega projects.

In conclusion, Ray Guy’s gives the student of politics an alternative version of political life in the 1960’s through a bombardment of satire, which is frequently humorous but sometimes serious in tone. Guy is keenly aware of current events and his observations describe in studious, yet humorous detail, how Smallwood ruled the province with a firm grip but illustrates his many failures, in a courageous manner. Economic development, the main plank of Smallwood’s policy platform, is observed as being inefficient and mismanaged by Guy, who provides numerous examples, sometimes truth, sometimes fiction. His writings echo academic

¹⁷ Boswell, Peter, *Political Science 3780, Course Manual, Chapter 5: Economic Development*, pp. 9.

¹⁸ Guy, Ray, *Ray Guy: The Smallwood Years*, Boulder Publications: Canada, 2008, pp. 309.

¹⁹ Guy, Ray, *Ray Guy: The Smallwood Years*, Boulder Publications: Canada, 2008, pp. 25-28.

²⁰ Boswell, Peter, *Political Science 3780, Course Manual, Chapter 5: Economic Development*, pp. 9.

²¹ Guy, Ray, *Ray Guy: The Smallwood Years*, Boulder Publications: Canada, 2008, pp. 30-31.

²² Boswell, Peter, *Political Science 3780, Course Manual, Chapter 5: Economic Development*, pp. 9.

writings from that period and the present, making his commentary a work that will be influential for years to come.