MEMORANDUM BY THE SECRETARY OF STATE FOR DOMINION AFFAIRS.

1. A difficult question which will come up for settlement at the end of the war, if not earlier, is the future status of, and form of Government in, Newfoundland. I have been giving a great deal of thought to this problem since my visit to the Island last autumn.

2. The broad position is that, under the terms of our bargain with the Newfoundland people, we have been placed in control of the Island's affairs only while it is unable financially to stand on its own feet. We are pledged to restore self-government, if the people so request, immediately it is "self-supporting again." Before the war the Island had annually a large deficit met by grant-in-aid from the United Kingdom exchequer; as a result, however, of the adventitious prosperity brought by the war it has now paid its way for nearly three years and is likely to continue to do so, so long as the war lasts. It has, furthermore, built up a useful reserve for use in post-war rehabilitation, and has, in fact, been making loans to the United Kingdom Government for war purposes instead of receiving financial help from us.

3. It must be expected, therefore, that we shall be faced with a strong demand as soon as the war ends for the restoration of self-government. This, in the nature of things, would be a gamble, for it is impossible to tell how the Island will fare in post-war conditions. At the same time, if it is theoretically self-supporting and not in any immediate need of financial assistance from us, the demand would be very difficult to resist.

4. There are two aspects of the situation which I should particularly like to stress:

(1) Under the terms of our bargain with the Newfoundland people in 1933 their previous Parliamentary institutions were replaced by a Commission form of Government under which six men nominated by the United Kingdom Government, three of them Newfoundlanders, act both as legislature and executive under the chairmanship of the Governor, their proceedings being subject to control from here. Apart from the difficulty of justifying the continuation of such a state of affairs in the altered financial circumstances, the spectacle of a white community, bordering the American continent, deprived of its former self-government and living under a form of "dictatorship" without representative institutions, is likely to be wholly out of keeping with the Atlantic Charter and the trend of thought on both sides of the Atlantic. The excellent record of Newfoundlanders in this war, no less than the last, is likely to strengthen criticisms on this score.

(2) On the other hand, in spite of having enjoyed responsible Government for nearly eighty years prior to 1934, the Newfoundland people can hardly be said, on any dispassionate view, to be politically ripe for resuming successfully the control of their own affairs. Indeed, the chief failing of the present form of Government is that, instead of
promoting the political education of the people, it has retarded it. The suppression of Parliamentary institutions has resulted outside the capital in widespread apathy and indifference; contact between Government and people has been increasingly impaired; organs of local or district Government, traditionally disliked and dreaded, are practically non-existent; and, apart from the Civil Service, there is little or no training of the younger generation either in the machinery of government or in public affairs generally. To expect Newfoundlanders suddenly to assume control and deal successfully with the Island’s affairs, without previous training or experience in the very difficult post-war transition period, would be almost to expect a miracle.

5. These conflicting considerations are likely to create something of a dilemma for us when the war ends. It is perhaps unnecessary for me to go into the question in more detail at this stage, but I am anxious that my colleagues should be aware of the broad position and of the likelihood that the problem will arise in an acute form at the end of the war. I am anxious, too, that Parliamentary opinion here should be more closely informed about the Newfoundland situation in order that the necessary background may be available to Members when the time comes for decisions to be taken. I feel that for this purpose it would be wise to send out to Newfoundland this summer a small Mission composed of three Members of Parliament, one from each of the three main parties, to acquaint themselves with conditions in the Island, see something of its many activities and the way of life of the people, and form some idea both of the potentialities of the country and of the capacity of the Islanders to take charge of their own affairs. Such a Mission would also serve a very useful purpose, both in showing Newfoundlanders that we have the special problems of the Island very much in mind, and in providing a fresh channel, apart from the Commission of Government or myself, for the free expression of local opinion on the question of post-war constitutional changes. At the same time, the visit of an informal Mission of this kind should not distract attention locally from the war effort.

6. I should like, if my colleagues agree, to sound the Governor as to the despatch of such a Mission to the Island, and, if he concurs, to proceed as soon as possible with the selection of Members.

Dominions Office, March 9, 1943.