

ROSEMARY OMMER

One Hundred Years of Fishery Crises in Newfoundland

I WISH TO START BY THANKING THE University of New Brunswick for the honour bestowed upon me by inviting me to give this year's W. Stewart MacNutt Memorial Lecture. I am privileged indeed, and I come to you very much aware that I follow in the footsteps of David Alexander, my friend and mentor, and the author of the first of these lectures which was read at this podium, by a friend, after David's death in the summer of 1980. I am proud, and grateful, to be here today.¹

There are many things that can be done in a talk such as this. I have chosen not to present new research in any detail, but to reflect on what is going on in the Newfoundland fisheries right now, because I think we are facing the end of an era that stretches back over at least 100 years. It is time to assess what we have learned about that era in this context, and to identify what is central to it in the hope that we may then be better placed to think about where we go from here. The message will extend, too, to the rest of the Atlantic Canada fisheries, as we can see from the imposition of further moratoria recently.

I have spent the last 25 years or so studying so-called marginal societies and so-called underdeveloped regions. For the bulk of that time I have worked with the fisheries of Atlantic Canada. In the past three years especially, I have been absorbed by (and shared in) the deep worry in Newfoundland over what will happen to our outports in the wake of the collapse of the groundfish stocks. I am reminded of what the diplomat Abba Eban once said, that "History teaches us that men and nations behave wisely once they have exhausted all other alternatives". I think we are there now: the alternatives have all been tried over the last 100 years. Perhaps wisdom will follow.

Last March Memorial University's Institute of Social and Economic Research coordinated a conference sponsored by the provincial Department of Fisheries and the federal Department of Fisheries and Oceans (DFO). It was called "Defining the Reality", and its purpose was to lay out the existing information on the groundfish crisis in order to have common ground for future planning.² It was one of the most painful experiences I have endured in my professional life. DFO biologists laid before us the dimensions of the crisis as they see it, and they tried to explain why they had not seen it coming. Dr. Leslie Harris spoke movingly of the Newfoundland fisher as tragic hero, complete with tragic flaw. Dr. Lee Alverson warned of global

1 The author wishes to thank those colleagues who read and commented on earlier drafts of this lecture, especially Stuart Pierson, David Pearson, Peter Sinclair, Greg Kealey, Rusty Bittermann, Jim Hiller and Bob Glossop.

2 See Keith Storey, ed., *The Newfoundland Groundfisheries: Defining The Reality* (St. John's, 1993).

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ecological crises. Captains of industry spoke of past mistakes and future requirements if the industry was to survive. Fishers from around the province pleaded for understanding — ours for them, and theirs for what on earth was going on — and asked how they were to survive. One man stood before the microphone, his face grey with fatigue and anxiety, and said in a breaking voice: “Let’s face it: we’ve caught them all”. Another explained that in the euphoria after the 200-mile limit was established, he built a house, bought a boat and new gear, a trailer, a colour television, all the accoutrements of late 20th century capitalist First World living...and now he couldn’t pay his debts. What were he and his family to do? Yet another fisher, about 20 years old, said that all he wanted was to live and fish in Bonavista — he loved it and he didn’t want to leave. I listened to a whole society grieve and wondered what on earth we could do.

Well, first we — the scholarly community — must understand this crisis: we must trace where it came from, we must ask why it was not foreseen and prevented, and we must seek out the most useful approach to a solution for the future. In so doing, we will need to be aware of the implicit ideologies, beliefs and pressures that underlie the thinking of the policy makers of the day. This last item is particularly crucial in the 1990s, when the world is changing rapidly and dramatically, when the sense of living in a transitional age is not merely fin de siècle *angst* but a realistic perception of events and circumstances...and when, while the transitional nature (and the irreversibility of that) of the decade is clear, the transition to *what* is entirely unclear.

This is a time in which it is fashionable to reject the “ivory tower”, but truly unwise to do so for we need now, more than ever, a community of reflective minds whose task it is to analyze our society and then show us back to ourselves for our consideration and subsequent action. We need, not to be “distracted from distraction by distraction” (in T.S. Eliot’s haunting phrase), but to reflect on our own reflection so that we become, not just an “information society”, but an informed one. There are many “ways of knowing”. This one is, I think, properly ours. And so I want to use the opportunity that you have given me to reflect on my own reflections of the past quarter-century. I want to consider the present crisis in the fisheries both for itself and as one of a series of three connected crises which we face today. For it seems to me that the crisis that our fishing communities are facing also serves to bring into sharp focus the growing fiscal crisis of the welfare state in the late 20th century and to illustrate dramatically (and close to home) a global ecological crisis of unprecedented proportions.

I have used the term “crisis” lavishly in the last few minutes but not, I think, unadvisedly. A crisis occurs when ongoing change has become irreversible and adjustment imperative. It is that turning point beyond which things can never be the same again: they may change for the better or they may result in disaster, but there is no going back. In the face of novelty, which might seem to cancel the lessons of experience, what use is the historian? What can the historian offer? Insight. Insight into how we got here, what went wrong and what opportunities were missed or frustrated or ignored.

I published (in 1985) a paper called “What’s Wrong With Canadian Fish?”.³ There I argued that the longterm structural problem in the Atlantic Canada fisheries stemmed from the failure of the state to develop out of the fishery the linkages, especially in manufacturing, which would promote local development by broadening and diversifying the economic base. I haven’t changed my mind, but I now see that failure of collective action as only part of the story, and I want to recast and develop it differently under current circumstances. Then I was responding to the Kirby Report, “Navigating Troubled Waters”,⁴ which recommended the restructuring that brought about the increase in technological effort — big ships, factory organization, intensive use of capital rather than labour, the trawler versus the dory, sonar versus lore and so on — all of which has now to bear some of the responsibility for the collapse of the stocks. A vice-president of one large multi-national fishing firm who spoke at the conference on the fisheries which I referred to earlier, coined the familiar expression “too many fishers catching too few fish”; today the parallel may well be “too much technology destroying too many fish”. That senior official conceded that there is some truth in that, but he has not lost faith in the capacity of the east coast fishery to provide profit for a few big firms and good wages for their (few) fish workers on and offshore, provided we can get the resource back. All the other people who used to fish, however, including the inshore sector, will — he thinks — have to “do something else”, and he doesn’t know what. Not that he is unfeeling about that: he admits with real pain that he just can’t see how to solve it.

That is the problem, in a nutshell — for a long, long time politicians, business people, bureaucrats and even social scientists, contemplating the east coast fisheries, and those of Newfoundland in particular, have seen that the fishery could not carry the whole economy, but they too didn’t know what else to do. They had ideas, and they tried them, often with disastrous consequences.

In Newfoundland, to which case I now turn for details, we can trace attempts to grapple with the problem back to 1884, at which time the country (I mean Newfoundland) had come — albeit without knowing it — to the end of the implicit contract that had existed between the merchant firms who traded fish and the settlers who caught it for them. The deal had been this. The merchant advanced supplies to settlers and their families in return for their catch of fish in season. It was a curious mixture of paternalist mercantile support and semi-independent family production: it allowed families to live year-round in isolated places and the merchant to count on a stable labour force without having to pay year-long wages. It was an unequal deal, but that is not what concerns me today. The point is that the contract was one in which the merchant’s problem of *scarce* and expensive labour was solved, as was the fishing family’s problem of how to get necessities they could not make for themselves.

By 1884 all that had changed. Between 1815 and 1884, catches of fish rose by 43 per cent — nearly half as much again, while the population rose by 275 per cent —

3 Rosemary E. Ommer, “What’s Wrong With Canadian Fish?”, *Journal of Canadian Studies*, Vol. 20, No. 3 (1985); reprinted in Peter R. Sinclair, ed., *A Question of Survival: The Fisheries and Newfoundland Society* (St. John’s, 1988), pp. 23-44.

4 Government of Canada, *Navigating Troubled Waters: A New Policy for the Atlantic Fisheries*, [Report of the Task Force on Atlantic Fisheries] (Ottawa, 1983).

8 *Acadiensis*

nearly three-fold what it had been. In 1884, 82 per cent of the labour force of 53,000 people was in the fishery, and that year the volume of salt cod produced *peaked* at 1.5 million quintals, while its export value also *peaked*, at \$5.5 million. Labour was no longer “scarce”: the linchpin had come out of the old bargain between merchant and fisher. The signs were there to see in other ways too: the price per quintal had started to slip, and the average output per fisher (what we would call “productivity” today) was declining — down from 31 quintals per person per annum in the 1850s to 23 quintals by the 1880s. This is the crisis that David Alexander identified as the “limits to extensive growth” of the traditional Newfoundland fishery.⁵ One could rephrase that to say that this is when the fishery first came to be the “employer of last resort”.

Between 1874 and 1884 the populations of many outports had either started to shrink or to show a significantly slower overall growth rate. Many communities were, quite simply, full-up: more people were having less and less land to work with, and they were using it increasingly intensively over time. There were more acres in gardens, less in pasture, a decline in the numbers of animals per household and a drop in basic foodstuff production, even potatoes. The land could support no further increase in the informal (subsistence) economy which always provided a basic security for fishing families. Only the fishery continued, in some places, to provide a rising income per household. But by 1901 it was doing so because of rising prices, for catches were, by then, falling steadily. The population statistics for the years from 1884 to 1921 show steady out-migration for all age and sex cohorts from ten to 50 years of age.⁶

That is what was going on at the community level. The merchants were also under stress. Negative balances had traditionally been carried over by merchant firms, which had needed to hold on to their fishers. This was the famous “tie that bound” the fisher to the merchant through bonds of indebtedness. However, by 1890 the merchant was tied to the fisher rather than vice versa, not only because many fishers had accounts with more than one merchant and hence could hardly be said to be “tied”, but also because the merchants were getting caught in a liquidity squeeze. Firms’ creditors were seeking payment in the end-of-century recession, but much of the necessary capital was tied up in debtor-client accounts. Unreturned credit (credit not paid back by a client) was, of course, cumulative over the years and, by the 1890s, the *net* capital that many firms had left at year’s end was a rather small percentage of their total volume of business.⁷ If the statistics we have calculated

5 David Alexander, “Newfoundland’s Traditional Economy and Development to 1934”, *Acadiensis*, V, 2 (Spring 1976); reprinted in James Hiller and Peter Neary, eds., *Newfoundland in the Nineteenth and Twentieth Centuries* (Toronto, 1980).

6 Rosemary E. Ommer, “Merchant Credit and the Informal Economy: Newfoundland 1918-1929”, *Communications historiques/Historical Papers* (1989), pp. 170-3.

7 Rosemary E. Ommer and Robert C.H. Sweeny, “Which Ties Bound Who to Whom? Lessons learned from computerizing merchant ledgers for Bonavista Bay, Newfoundland, 1889-1891”, paper presented to the Australia and New Zealand Conference on Canadian Studies, Wellington, New Zealand, December 1992. See also Robert C.H. Sweeny *et al.*, “Movement, Options and Costs: Indexes as Historical Evidence, a Newfoundland Example”, *Acadiensis*, XXII, 1 (Autumn 1992), 1992, pp. 111-21.

recently, and those offered by James Murray in 1895 on merchant financial stress and bankruptcies, are to be believed, what this means is that merchants were now dealing with scarce *funds* rather than scarce labour.⁸

Why, then, stay in the outport fish business at all? There are many answers to that question, today as in 1890. For example, if a firm was at least surviving in the supply trade into the fishery there might well have been too many costs associated with getting out, provided their credit system did not collapse under the strain. Since debt to the firm can also be thought of as credit to the customer or, pushing that a little further, as a temporary investment (conscious or otherwise) by the firm in the local economy, the choices a firm made about where to invest in an outport economy tell us what they considered to be the best available returns on capital. Where were those merchants who stayed in the outports putting their scarce investment funds? What little precise evidence we have suggests, startlingly, that those funds, in the form of extension of credit, went disproportionately to clients who dealt in relatively little or *no* fish, while large fish-sellers' credit fell over these years. Put differently, merchants appear to have been discouraging those clients who were fishers. Indeed, in the one firm for which we have detailed ledger figures, when clients started to pay back their debts and became active again, they received *more* credit if they dealt in little or no fish. In other words, merchants appear to have been putting money into the local non-fishing economy, to have been attempting some slow, cautious redirection of the local economy,⁹ some local diversification, as the balance in the labour/capital equation shifted from scarce to overabundant labour. At the same time, of course, they continued to support the fishing economy to some degree. Not all firms stayed in the fishery. We know that many outport firms (including very big ones) collapsed, while others moved out of the outport entirely and into different lines of business. Unfortunately we still lack details of what went on, but it appears that the growth of joint-stock companies in Newfoundland at century's end was fuelled in part by capital which came from outport merchant firms who had abandoned the fishery in the 1890s.¹⁰

As early as the 1890s, then, Newfoundland was grappling with the problem of underdevelopment which still besets us today. James Murray said in 1895 that the nation faced a commercial crisis because the old merchant system was becoming unworkable under conditions of modern capitalist competition.¹¹ The efforts of the government to change things, however, were concentrated, not on the outports and the fishery, but on attempts to get agriculture going, to open up the hinterland through the building of a railroad and to exploit the woods by attracting corporate industrial capital to invest in large-scale timber production. This approach failed. As

8 James Murray, *The Commercial Crisis in Newfoundland. Cause, Consequences and Cure* (St. John's, 1895); see also James K. Hiller, "A History of Newfoundland, 1874-1901", Ph.D. dissertation, University of Cambridge, 1972 for detailed discussion of the whole period.

9 Ommer and Sweeny, "Which Ties Bound Who to Whom?"; David A. Macdonald, "They Cannot Pay Us In Money: Newman and Company and the Supplying System in the Newfoundland Fishery, 1850-1884", in Rosemary E. Ommer, ed., *Merchant Credit and Labour Strategies in Historical Perspective*, (Fredericton, 1990), especially pp. 124-8.

10 Robert Hong, personal communication on his ongoing M.A. research.

11 Murray, *Commercial Crisis in Newfoundland*, p. 4.

10 *Acadiensis*

Murray had observed, the traditional merchant fishery was unable to support the costs of modernization, the growth of St John's and the huge costs of financing the railroad. In the event, the country's politicians and business people managed only to transform the economy, as David Alexander put it, from "a domestically-owned and controlled one-product export economy" to a "largely foreign-owned and controlled three-product economy".¹² Worse still, the railroad debt would cripple Newfoundland for years to come.

In sharp contrast to that kind of thinking, and that scale of production, but very much in line with the way outport people themselves survived on the coast, was the attempt by William Coaker to come to grips with a complete reorganization of the fishing economy. In the short-run Coaker, who had started union organizing in a local logging economy, wanted to reduce fishers' dependence on the merchant and, to that end, he formed the Fishermen's Protective Union in 1908. I want to pause here to point to one tiny aspect of the FPU which is, I think, symbolic of what was actually happening underneath the events of the time. The motto adopted by the FPU was "To Each His Own" — a curiously individualistic motto for a union, where the basic logic requires solidarity of the workforce. That fact has rarely been commented on and never explained. I am going to suggest to you that that motto spoke to a fine understanding by Coaker of what fishers actually were. They were not an industrial workforce, such as was found in logging or mining. They were families engaged in primary production, and they were dependent on merchant credit for buying their supplies and selling their fish, which was subsequently marketed by merchant firms. That is what merchants did, where possible: they organized and distributed; they preferred to oversee production rather than actually take part in it.

The FPU represented a different approach. It married non-industrial peasant-like family production with commercial know-how. Coaker, coming out of a commercial urban background, organized fishing families whose ancestors had come to Newfoundland in the very early days of an industrializing Britain and who had not been part of that industrial revolution. Their habits and values, and those of their descendants, effectively predated it. The genius of Coaker lay in creating a commercial strategy which made sense in terms of the fishers' way of life. The FPU's declared purpose — "to promote the commercial welfare of the fishermen" — spoke to it being a cooperative association set up, not to confront the merchants as a proletariat demanding a fair share, but as a fellowship to socialize credit and to find ways to produce and sell fish for shared profit. It was to involve, ultimately, the education of fishers and what we would today call "restructuring" of the fishery to render it a modern commercial enterprise run by small independent producer families.

Coaker sought to modernize that fishery, not just for the benefit of fishers, but for that of Newfoundland as a whole. The list of reforms that he sought is a telling indictment of the mess the country was in — fish grades needed to be standardized, disinterested cullers were required, quality control was needed, government loans

12 David Alexander, "Development and Dependence in Newfoundland, 1880-1970", *Acadiensis*, IV, 1 (Autumn 1974), p. 11; reprinted in Eric W. Sager, Lewis R. Fischer and Stuart O. Pierson, eds., *Atlantic Canada and Confederation. Essays in Canadian Political Economy* (Toronto, 1983).

had to be available as a buffer against bad years (in terms of both catches and markets), marketing needed to be organized...and so on. Coaker was attempting to create in Newfoundland an alternative to *merchant* capital for the people of the outports rather than a way of dealing with industrial capital, which has been the more normal purpose for founding unions. Sadly, his reforms did not have time enough to run before foundering on vested interests, political machinations and the post-war international economic crisis which was to culminate in the Depression of the 1930s and bankruptcy of the whole nation.¹³ However, the striking success of the early days of the FPU as a kind of grass-roots commercial enterprise in its own right suggests that Coaker had put his finger on something crucial for the continued growth of the country.

When one is faced with a history such as that of Newfoundland, where one can recount a century and more of things *not* working out, one can either conclude that the place is hopeless (as some have, but I do not choose to join them) or else that we have missed something. That is my own position. It seems to me that the early success of the FPU carried a message that was not successfully decoded, namely that fishers in Newfoundland were and, I would suggest some still are, non-industrial in culture, outlook and attitude. They are a people who have always worked their land and sea with family labour as far as possible, producing subsistence foodstuffs and necessities, such as their houses, as a highest priority. It is worth remembering that even today Newfoundland has the highest percentage of home ownership in Canada. Alongside this, they fished, and they held (and still hold) other occupations such as logging or working "away" in the formal market economy.

I am reminded, when I think of so-called "traditional" fishing families in Newfoundland (and indeed in all Atlantic Canada), of the work of sociologist Ian Carter who spoke of the peasantry of north-east Scotland as doomed heroes.¹⁴ Sound familiar? Leslie Harris at that conference last March sounded the same note. It is not a trivial point. Carter says that "Peasant farmers *made* the north-east land. But they also *made and carried* the region's distinctive *culture*" and they sought "to remain independent of the labour market".¹⁵ Looking at fishers this way makes sense of the century-old crisis in the Newfoundland fishery for, just as in Scotland, "Once capitalist production had matured to a point where it no longer needed peasant production, then the peasantry would finally be penetrated".¹⁶ That is what was starting in Newfoundland when the balance of the deal between merchant and fisher swung from scarce labour to overabundant labour. But it was a long drawn-out process, for there were few alternatives in the economy for surplus fishers — a dilemma that is with us still.

13 The above section is drawn in part from Ian D.H. McDonald, "To Each His Own". *William Coaker and the Fishermen's Protective Union in Newfoundland Politics, 1908-1925* [ed. by J.K. Hiller] (St. John's, 1987), especially Chapters 1, 2 and 6.

14 Ian Carter, *Farm Life in Northeast Scotland, 1840-1914. The Poor Man's Country*, (Edinburgh, 1979), p. 5.

15 Carter, *Farm Life in Scotland*, p. 4.

16 Carter, *Farm Life in Scotland*, p. 31. See also Daniel Vickers, "Competency and Competition: Economic Culture in Early America", *The William and Mary Quarterly*, 3d Series, Vol. XLVII (January 1990), especially p. 28.

12 *Acadiensis*

Rather than take you, blow by blow, through the sorry tale of the 20th-century Newfoundland fisheries, I want to highlight aspects of the history in the light of the existence of a non-industrial fishing culture, the implications of which have not been fully understood. In the late 19th century, merchant capital in Newfoundland went into what proved to be a long decline. Merchants had come to Newfoundland in the previous century to make a profit, to get wealthy; surplus was their purpose in the fishery — they traded in fish and supplies and hence made money. Settlers, for their part, had come to make a living in Max Weber's sense of a "traditional" lifestyle. They were indifferent to accumulation or to any sense that one must make more than one's parents had done. Of course, they produced fish for the merchant, but that was how they solved their problem of difficulty of access to necessary supplies. The recognized formula for that deal was that "the price of a quintal of fish on the merchant's books was tied to the cost of a barrel of flour". It was symbolic of what was important to each party to the contract. It was, in fact, a wonderful condensation of the understanding of people at that time of what constituted for them their rights and obligations and the reciprocities involved in that — the "subsistence imperatives, and usages which insure the community against risk".¹⁷ In 1919, as a result of an international post-war commodity crisis, that longstanding equation ceased to equate: the historic relationship between merchant and fisher (and it is appropriate that the metaphor should be an accounting practice) was finally breaking down.

But it took a long time to die; indeed, the real death throes of one central aspect of it are what we are witnessing now. That aspect is the *mechanism* whereby people, whose way of life depended on what we now call the "informal economy", were able to get the basic capital to purchase essential inputs to that economy. So long as that capital was there, people could continue to survive more or less as they always had. A note in the 1921 census says it rather nicely:

There are over 30,000 fishermen and others who cultivate land, more or less, in addition to their usual occupation. This class is largely made up of the fisherman-farmers, and it is needless to say that those who are assiduous on the land as well as on the sea generally manage to live in comparative comfort.¹⁸

By the early 1930s, however, even the resilient rural economy was under severe stress. Poor relief had become a vital necessity in some places and was inadequate in many cases. The firm of Garlands, in Hermitage Bay on the south coast of the island, for example, was supplying (on a government contract) people on the dole — something from which the firm got no fish and, they claimed, no profit, since the government held them to a given rate for supplies. That the area was impoverished is beyond doubt. Garland told the Commission of Government that there were 340 families in the Hermitage area on the dole, getting \$2 per head in February 1935. He reckoned they would not have a reasonable standard of living at \$10 per month for a family of five, since in his experience it normally took 50 to 60 quintals of fish per

17 E.P. Thompson, *Customs in Common* (London, 1991), p. 341.

18 Quoted in *The Newfoundland Royal Commission* [1933 Report, known as *The Amulree Report*], p. 42.

month at \$5 to \$6 per quintal (that is, an income of \$300 per month) for a family that size to live half-decently on the coast. While people might salt down some fish for themselves, and catch rabbits, they could grow no vegetables and raise no sheep, the soil being too thin. Nor, remarked the accountant acidly in response to a question, could they “make a pot of soup out of birds flying along” — they had no means of catching the birds. The dole gave them a sack of flour from Garland’s, at \$1.80, but that was all. Garland’s remarks spoke to a crisis that was both real and general. North coast or south, inshore or bank fisherman, large merchant or small, full-fledged fish business or small-scale supply merchant — the whole traditional saltfish industry of Newfoundland was in a state of imminent collapse, and so was the outport economy.¹⁹

Two reports of the Commission of Government dealt with the issue: the Amulree Report of 1933 and the Report on the Fisheries of 1937.²⁰ Both spoke to the problems in the fishery; the wisdom of the Coaker regulations (which had attempted to license fish exports in order to maintain prices) was finally recognized, but not all could be implemented. In particular, for our purposes here, the credit system and outport household production were seen as being so intertwined as to be inseparable unless conditions radically improved. Interestingly, the Commission of Government recognized the existence of an outport way of life and even saw strengths in it; by 1944 one official was musing about a possible revitalization of the economy based on a modern fishery supported by non-market as well as market production under conditions of modern technology.²¹ It made structural sense in the context of the time. Independent family production of fish, coupled with household production and with non-commercial exchange in kind within a community, was a highly flexible strategy for survival in marginal areas and in hard times. Merchant credit was a useful support in this system and it lasted on to the Second World War because there was nothing else to replace the job it was doing, even though it had to be supplemented, on occasion and in dire need only, by state welfare of some kind. After Confederation (1949), however, merchant credit ceased to exist.

Its demise speaks to the reasons for its longevity. While the new province modernized its economy, the outport way of life continued to a degree and in some places. The role that merchant credit had played in maintaining that way of life was, therefore, still required, particularly in remote areas or in areas where the seasonal inshore fishery remained the primary employer. Under conditions of serious unemployment and a highly seasonal fishing economy, state transfer payments, in the form of unemployment insurance and welfare, took up where the old credit system had left off, providing another form of cash injection into the informal economy.

Let me stop and reflect on what was going on here, because it is absolutely central to any real understanding of the trauma that we are witnessing today in the province.

19 See Ommer, “Informal Economy”, Rosemary E. Ommer with Robert Hong, “The Newfoundland Fisheries: the Crisis Years, 1914-1937”, paper presented to the Atlantic Canada Studies Conference, Orono, Maine, May 1990, pp. 21-3.

20 *The Amulree Report; Report of the Commission of Enquiry Investigating the Seafisheries of Newfoundland and Labrador Other Than the Sealfishery* (St. John’s, 1937).

21 David Alexander, “Development and Dependence”, pp. 23-24.

For a century and more, the fishing families of Newfoundland had lived in a household economy that was based on occupational pluralism. They were attached to the capitalist world through an accounting strategy that gave them the means to acquire non-local goods that they needed to survive, through good times and bad. Please note that I am not saying it was utopian, easy, a lost harmony of humanity and nature or any of those kinds of rural romantic pictures which have done us serious disservice in trying to grapple with these issues in the past. It was difficult, harsh and sometimes brought people to the brink of starvation. That is the point that was made by the business official at the “Defining the Reality” conference of which I spoke earlier. There was, he insisted, no utopian past in the outports: theirs was always a life of poverty, illiteracy and frequent near-starvation. He’s in good company — D.W. Prowse would have agreed, for example; likewise Harold Innis and David Alexander. But the latter two would have known, like the late E.P. Thompson, that while the “old popular culture” (as he called it) was “plain bloody poor”, the history of its existence and its demise was one of “exploitation and of resistance to exploitation” and that there were values that stood “to be lost as well as gained” when it was finally overthrown.²² That business official said: we can’t go back; we must go forward; but forward, in his view, could only be a new industrial efficient integrated fishery characterized by a corporate fleet, corporate fishplants and a few large central ports in which these will be located.

As academics, I think it must concern us that the historical record is being marshalled as part of the argument now being constructed in defence of giving up on most of rural Newfoundland. It is vital that we challenge the retrospective determinism of that kind of argument, even if some of us accept that vision as the only way to go in the future. We must still make it clear that the way it *was* is not necessarily the way it *had to be* and, hence, not necessarily the only way it could be in the future. Rather, a series of choices made over an extended period of time have incrementally resulted in that appearance of inevitability.

What happened to those outports and that outport way of life? I would suggest to you it suffered a series of shocks, a series of penetrations of capitalist production as that matured in Newfoundland. Resettlement was one — Parzival Copes’ and Joey Smallwood’s attempts to create growth centres into which outport people had to move in preparation for the new industrial economy to come — an approach which failed to comprehend the integrated ecology and economy of the inshore fishery. It was, until the moratorium, still the case that many fishers simply went back to the old grounds to fish every year, even though their place of residence was no longer there. Over the long-run, however, the children of resettlement have, to a considerable degree, become workers in a waged labour force. But many of them are unemployed.

Yet another shock was the poor administration of quotas and licences after the 200-mile limit was introduced, which contributed to the stress on the resource and raised expectations that could not be fulfilled. Then there was the increasing number of state subsidies for fishing boats and gear. It is not by chance that one ISER

22 E.P. Thompson, “Time, Work-Discipline and Industrial Capitalism”, *Past and Present*, Number 38 (December 1967), pp. 93-4.

publication in the 1980s was entitled "The State Goes Fishing".²³ And we must add to all that television and the introduction into the outport household of the North American capitalist and consumer ethic, with all the increased expectation of standard (and style) of living that that entails. In his book *Customs in Common*, E.P. Thompson identified needs and expectations as "those components of... 'popular culture' which most require attention today".²⁴ He was absolutely right.

In Newfoundland, and I am sure elsewhere, the alteration of expectation has made a difficult situation even worse. For, added to the inevitable stress of changing times and circumstances was the fact that the transition came as a set of sharp disjunctures, in which the old ways were essentially rejected out of hand and their positive aspects, which might have been cultivated, ignored. Small-scale business, or manufacturing based on the fishery, might have had a chance had the government of the day seen the potential entrepreneurship in people who had run individual family production units for generations. That's what Coaker saw, that's what he built on and that's where his initial success lay. But megaprojects have been the order of the day since then, and Bowaters alias Kruger, Churchill Falls, Long Harbour, Come By Chance and Hibernia have each in their time somehow been supposed to hoist the province out of its poverty on the hook, as it were, of a giant derrick. At the same time, the inshore fishery has stumbled on, propped up by transfer payments rather than productive investments — payments which were treated by those who received them as such things had always been: necessary cash inputs to keep the informal economic base of the household afloat. It is no accident that when I first came to Newfoundland at the end of the 1960s, the baby bonus cheque in many outports was treated like currency and could circulate through a village just like a ten-dollar bill. That *is* what it was: currency.

I said at the outset of this talk that the situation in the Newfoundland fisheries was tied to two other crises. Let me now build the second one into the picture: that of the welfare state. State welfare policies in the past in Newfoundland have been inextricably linked to fishing community survival. There has been, in fact, an implicit contract, now between state and fisher, which has replaced the old merchant-fisher contract. That is, these apparently very modern issues surrounding the present crisis have been with us in one form or another (in Newfoundland at any rate) for more than 100 years. In Bonavista, for example, the moratorium means time to do things in the informal economy, and so houses are freshly painted, fences mended, property improved. The bulk of the population is on Unemployment Insurance or Welfare or "the package" (NCARP: i.e. government support for those bona fide fishers who cannot fish just now) and they are using that time and money, productively, in the informal economy. *They are working*, even if they are not "employed".

Politicians, business people and others have spoken for some years now of U.I. abuse. To that there are now being added fulminations about "package" abuse. But we need to be careful here. I think that we are at a crossroads in which many of the

23 Peter R. Sinclair, *The State Goes Fishing: The Emergence of Public Ownership in the Newfoundland Fishing Industry* [ISER Research and Policy Papers, #1] (St. John's, 1985).

24 E.P. Thompson, *Customs in Common*, p. 14.

16 *Acadiensis*

skills and day-to-day activities of the old informal economy have gone, but what remains is the psyche of the traditional fishers' world. Not for everyone, of course. Some have made the transition to a wage-labour world and a proletariat; some have made the transition to a petty capitalist or a bourgeoisie. But enough people have retained enough of the old view of the world that it is not, to them, abuse to use U.I. as start-up capital for the informal economy of an outport community (not just an individual or household), and it is not abuse to share weeks of "working for stamps" around the community. Nor is it either foolish or abuse to use "the package" to get what one can in the way of material goods "against a rainy day", or to improve one's lifestyle and property while one can. In an earlier world, one took the good when it came, just because uncertainty was a way of life and flexibility and sharing of benefits was how a community sustained itself. There was a different kind of moral economy, a different set of values and behaviours, than those which industrial capitalism has inculcated in the modern mind. By the same token, then, it may not just be "recreation" to buy an all-terrain vehicle with money from "the package" and go hunt in the woods and fill one's freezer with moose and salmon and trout — for today's freezer is yesterday's root cellar. That is not to deny that, in some cases, unwise spending of government support income occurs or that poor choices for retraining may be made. Some people do take courses "on the package" that focus on fishery skills, even though they know (but may still not believe, or be able to conceive) that there cannot be a fishery for all in the future. I have to add, in this respect, that the government offers such courses! The point, however, is that we need to be very careful that we do not assume that the logic and values of an urban-industrial world hold true in the outports for all people and all the time.

Nonetheless, it also needs to be pointed out that, while U.I. may be used in Newfoundland really as an income support package (just like merchant credit), that was not its original intent, and that is not its basic structure. What is really required, if the contract between government and people is to be honest and open, is some form of guaranteed annual income. Such a programme, like U.I., carries costs to the taxpayers of the nation. There is a good argument to be made for accepting this cost, but it needs to be made clearly and openly. There is a moral issue of state honesty about what is going on that underlies the complaints about U.I. abuse. There is also a moral, as well as a practical, issue around U.I. regulations: there is no lower age limit, for example, for U.I., and that has encouraged young people to leave school early and start fishing, knowing that they could fish for stamps. This has, to be charitable about it, been unwise since it has permitted the continuing existence and even expansion of a rural predominantly fishing economy beyond the limits of what could realistically be sustained. Such supports of the status quo have masked the nature and scale of the problem that has lurked behind the heavy reliance on the fisheries and the clumsy application of welfare policies which have contributed to the destruction of outport self-sufficiency rather than bolstering it.

What I believe is happening today is that the long, slow and uneven maturation of the capitalist economy in Newfoundland has finally reached its own crisis, in the process forcing a concomitant crisis on the already seriously disturbed outport economy. The welfare monies that have increasingly been thought of as a "refuge of last resort", going hand in hand with the fishery as an "employer of last resort", are

not going to last. That means that the old mechanism for getting start-up capital into the informal economy, which started with merchant credit, is finally failing. And so, in a decade of global economic restructuring and ecological destruction, the writing is now on the wall for both the existing formal and informal economies of Newfoundland and perhaps of all maritime Atlantic Canada, as we have known them.

This is particularly traumatic since the outport transition from a traditional fisher society to an industrial workforce is not yet complete. Moreover, and importantly, that fact remains unrecognized. The story I have been telling here implies that the one continuous thread through the last 100 years of crisis has been the continuing existence of the fishers' way of life. This is no accident. Fishers have fought for generations to preserve it. It survives, even in its present diminished form — along the nerves and in the heart of those living through it — not only because of their stubborn refusal to let go of it, but also because they have been creative about protecting it. The FPU, the relief riots of the 1930s,²⁵ the changes in U.I. so that it was adapted to help fishers in a highly seasonal industry, even the fishers' manipulation of welfare policies that serious recession and now the moratorium have produced, all need to be understood as *attempts to preserve that way of life*. But this point has not been grasped, and perhaps we cannot expect it to be, in the boardrooms of industry or the corridors of political power. After all, it has almost never been appreciated, even in the 1890s or the 1930s let alone the 1990s.

What *does* show up repeatedly over 100 years is an underlying current of puzzlement, frustration even, in much of what has been written and said over the years. It centres, when one looks closely, around the seeming intransigence of outport populations that simply will not respond in the way they are "supposed to" to policies designed to modernize, improve or develop the economy. E.P. Thompson said that "There is no such thing as economic growth which is not, at the same time, growth or change of a culture".²⁶ The process is a painful one and we — with a mindset accustomed to wage labour, industrial economies and the assumption (only finally shaken in the last decade or so) that full wage employment is to be expected — need to be sensitive to the disjunction between our view of the world and that of outport society. Only then, I suggest, can we understand the basis for the mutual puzzlement and frustration that has always coloured attempts to deal with the east coast fishing economy. Only then can well-meaning people who think in urban-industrial wage labour terms begin to understand why some outport fishers are so traumatized by current events, and so intransigent in their refusal to accept the solutions that have been offered in government reports, industrial analyses and other such documents. This is why what fishers perceive as appropriate responses to changes and hard times are often at odds with the perceptions of government, industry and commercial/political elites — perhaps even the unions. Their expectations and attitudes belong only partly to our system; they also have another

25 James Overton, "Riots, Raids and Relief, Police, Prisons and Parsimony: The Political Economy of Public Order in Newfoundland in the 1930s", in Elliott Leyton, William O'Grady and James Overton, *Violence and Public Anxiety* (St. John's, 1992), pp. 195-336.

26 E.P. Thompson, "Time, Work-Discipline and Industrial Capitalism", p. 97.

view of the world which has been, for the most part, unrecognized and unappreciated. And it is worth adding, in this respect, that this may be why it was fishers who first recognized the shape of the current crisis and why it is important that we seek solutions together: their culture and way of life has proven to be better attuned to the sensitivity of the ecosystem in which they live and work than has ours.

Which brings me to the third of the inter-related crises confronting us here: the ecological crisis of the groundfish stocks of the North Atlantic, which we need to consider in conjunction with the policy problems of the welfare state and the socio-economic crisis of the fishing community. I have left the fish stock problem to the end because I am not a natural scientist and can speak only briefly and at second-hand to the issue. I am going to deal with it, simply and brutally — by taking the worst-case scenario and assuming there will be no economic escape in the near future through a return of fish stocks to their previous levels. I do this for two reasons: first, because my best advice is that that is what is most likely to happen and, second, because it behooves us anyway to reject any scenario which could tempt us back into the old trap of seeing the fishery as an employer of last resort.

It is this ecological crisis that has made us realize that we have reached the point of no return, that has brought into the open the conflicting attitudes — the often unrealized springs of people's thinking — and made the whole debate in Newfoundland very difficult and very painful. Curiously, it is also the stock crisis that has given us some slight (very slight, I admit) room for hope. For at last there is something on which we all — fisher, government bureaucrat, politician and academic — now agree, and it is this: the manner in which we have thought about fisheries management in the past is demonstrably untenable. We are now at the point where we are actually getting together to find out if there is anything that can work, and willing to be relatively open about what that “anything” might be, if only from sheer desperation. The old ways *are* now seen as failed. Everyone accepts that — fishers, industry, government and unions — and this is a real starting point. They don't agree on why they failed, but they agree that there is no return to the old ways of dealing with the fishery. This is both good, and dangerous, because — if we get stuck in arguing about why, in the sense of who is to blame — we are likely to get trapped by defensive arguments which need to be bypassed. More useful is the acknowledgement by different stakeholders of responsibility for the mistakes they have made which have contributed to this state of affairs. That is happening and it is encouraging, but the process is slow and painful.

Fishers want change, and they are prepared to accept that “we've caught them all”. Government knows DFO regulations haven't worked and that UN/ICNAF negotiations are proceeding too slowly. Industry knows it can't go back to the use of destructive technologies that were acceptable in the past, nor to a level of effort that can no longer be defended as “efficient”. The blocks to fruitful communication are to be found in the residuals from our mutual past. For fishers, these are the tendency to discount their own insights and to accept powerlessness — their request to “tell us what to do”. Such attitudes are difficult to overcome and will remain so for as long as policies encourage that kind of dependency. For government, the hang-up seems to me to lie in the equation that I heard voiced recently: that social issues are inherently political and hence must be avoided or else dealt with in ways which are

politically safe. For industry, the “we could do it well if you left us alone to do it our way” mentality is still very much with us. We need to find a way to do an end-run around these residual posturings and focus on areas of agreed change, in the hope that it will become obvious that the old attitudes are outmoded and don’t help. Their power to attract will then wane accordingly.

My personal hunch is that an ecological approach is where we may find a meeting of minds and a beginning of hope, partly because it is fashionable and thus politically and fiscally acceptable, and partly because the fish stocks problem *is* ecological, especially if one admits the *reality* that humans are part of the ecosystem. The cause of the present fishery crisis may just, in fact, point to part of the cure: we might start to think creatively in terms of eco-tourism, to take just one example. Of course major changes would take time, energy and money, and they may well be dismissed as impracticable or as romantic nonsense. This appears to be happening already in places, such as British Columbia, where attempts to create ecologically-based communities are meeting with scorn and resistance from a wide range of vested interests in business and government.²⁷

It is, however, just that kind of community that might work in outport Newfoundland and indeed in rural Atlantic Canada, because it would build on past strengths, comprehensions and resilience, and be compatible with local economies and ways of thinking and also with fragile local ecosystems. I think what is needed just now is the ability to dream...pragmatically. Robert Frost once said that “an idea is a feat of association”, and we would, I am quite willing to concede, need prodigious feats of association here. But past failures leave us precious little choice, in my opinion, other than to engage in radically different thinking. Not, however, entirely new ways. For the historical record, as I have recounted it, speaks to the tenacity of small-scale family entrepreneurship in the outports — the kind of thing that Coaker sought to support and enhance and which now needs to be recast in twenty-first century terms. We do not know what might have happened if a commercial transition, based on a development of outport entrepreneurship, had occurred. We *do* know what happened when that became (Robert Frost again) the “path not taken”. Standard development practices outside the fishery have failed us. And inside there has been failure too, either because there were too many fishers for the technology of the day to support, or because the technology of another day left us with too few fish to support them; or both.

I conclude that the scale of development that has served urban-industrial societies in the past has never served this kind of rural society well. But small-scale environmentally-responsible development might. I think of the Grameen Bank in Bangladesh and what it has achieved with very small loans to groups of villagers. I think of the ecological sensitivity of the traditional outport. I think of the modern technology that can be applied to environmentally sensitive alternative lifestyles, of which there are now examples in North America. There are also some success stories in Atlantic Canada: Lunenburg does very well from tourism, Pugwash from pewter, Baie d’Espoir from aquaculture. There are potentially quite considerable multipliers in such developments, and they function at the right scale. But the hard truth of the

27 “Where some see green, others see red”, *The Globe and Mail*, 4 September 1993, p. C4.

matter is that we do not have the answers to some basic questions yet, so this *is* still a dream-world. To be able to treat it seriously, we would have to find out what this kind of development would mean in terms of structural change. How would one go about it? How many people would it support? In what ways? What kinds of retraining would be involved? What kinds of twenty-first century technologies are available to enhance a recrafting of the traditional strengths of the outport way of life? What kinds of state and business investment, and what levels of these, would be necessary to exploring this kind of approach? Is it possible to get small-scale development to work at the regional level? These are threshold questions, and we don't begin to really know how to get at them. But we can try. I think we have to start taking these kinds of questions seriously. Given the multiple failures of not looking in this kind of direction over the past 100 years, I think it has become painfully obvious that there is no place left to hide. There is only a place to start from....