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"We will live on a ship!"
Conflict Between Traditional Economic
Adaptation in Newfoundland and Federal
Official Fisheries Policy

by

Maura Hanrahan, B.A.

A thesis submitted to

the University of Regina for the degree of

a partial fulfillment of the

requirements for the degree of

Master of Arts

Department of Zoology and Anthropology

Carleton College

Ottawa, Ontario

March, 1980

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The undersigned recommend to the Faculty of Graduate Studies
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"We won't Even Get a Sculpin;" The Conflict Between Traditional
Economic Adaptations in Newfoundland and Federal Government
Fisheries Policy

submitted by Mauna Hanrahan, B.A.

in partial fulfilment of the requirements for
the degree of Master of Arts

Thesis Supervisor

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ABSTRACT

This thesis examines the design of development programs for fishermen and fisheries-related activities in Newfoundland in relation to traditional economic adaptations in Newfoundland and Labrador in response to human communities. In particular, the thesis examines the economic growth insurance program for fishermen and the social security system for fishermen and fishers. These systems are seen as an example of an urban-industrial setting that is inappropriate in the context of a semi-industrialized Newfoundland. Because the design of these systems is inappropriate in Newfoundland, they serve to undermine the traditional economic pluralism and self-sufficiency of Newfoundlanders.

The thesis points to the need for a development program to foster the traditional economic adaptations of the people for whom they design programs, in this case, Newfoundland fishermen. There is clearly a need for make-for-Newfoundland fisheries and fisheries-related policies. These policies should respect and provide for occupational pluralism, resource conservation (traditional and government) and appropriate economic development in Newfoundland and Labrador.

This work is dedicated to
The Fishing Families of Newfoundland and Labrador
Past,
Present,
and Future,
and especially,
the Manrahan, Manning, Bruce and Abbott Families
of Placentia Bay.

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INTRODUCTION

NEWFOUNDLAND FISHING COMMUNITIES UNDER ATTACK

The central argument here is that the inshore fishery of Newfoundland and, hence, the province's hundreds of fishing communities, are under sustained attack by federal government fisheries policy. The lifestyles and economic well-being of inshore fishing people are threatened by other forces as well; these include the corporate world, Maritime and Eastern Seaboard fishing interests, and other institutions and sectors. However, my concern here lies not with these forces but with the threat emanating from the federal government. The federal government is a focus because since Newfoundland's confederation with Canada in 1949, the harvesting sector of the fishery has been completely under federal jurisdiction. This authority has had an adverse effect on Newfoundland fishermen and their communities. The hope is, as the interests and goals of the federal government are subject to change (certainly more so than those of the corporate world, for example), that this focus will be practical in one sense and that the discussion below will even contribute to the debate within government circles.

What is the nature of the conflict alluded to here? How does it manifest itself? Here it shall be shown that the conflict results from the traditional non-industrial nature of the Newfoundland inshore fishery and the 1980's emphasis on technological advancement and economic viability (i.e. profitability). The conflict is manifested

particularly in the Department of Fisheries and Oceans licensing policies and in the unemployment insurance schemes for inshore fishermen. These programs do not allow for the traditional economic adaptations (i.e. occupational pluralism and household production) of outport Newfoundlanders. Federal and provincial government financing of the restructured deepsea trawler companies, especially Fishery Products International Limited, is further evidence of a widespread desire to industrialize the fishery and its workers. The more profitable offshore fishery is governed by elaborate and even generous government policy. Meanwhile the inshore fishery is governed by ad hoc decision-making and inappropriate policies and systems. These policies serve to push people out of the fishery and they undermine traditional adaptations and fishing practices which are rational in the Newfoundland setting. This erosion of traditional economic adaptations has not resulted in the development of different ones that afford fishing people an improved standard of living; instead, the new order has meant losses to individual households and the entire rural economy. It is the intent of this study to provide an understanding of the role of traditional social and economic adaptations which Newfoundlanders have made to the vagaries and uncertainties of fishing, the markets for fish and other non-market activities and the role which licensing and unemployment insurance now play in the annual round of economic activities fishermen.

It must be pointed out that the Newfoundland fishery itself is very heterogenous; there is the offshore trawler fishery and, within the inshore fishery, there are inshore dragger, longliner and small boat fishermen.¹ There are also, within these categories, shrimp fishermen, lobster fishermen, and a variety of other types of harvesters. This means that there is, at times, a great deal of struggle within the fishery itself (most notably between inshore dragger fishermen and those in smaller inshore vessels). The Fishermen's Union represents a significant proportion (over 40%) of fishermen in all sectors: therefore its position can be difficult at times. Here the union will be looked at only briefly, and favourably, as it, unlike the federal government, attempts to recognize the traditional economic needs and adaptations of Newfoundland fishermen.

The fishery is the lifeblood of hundreds of small and larger communities and thousands of families in Newfoundland. Even if all of these people wanted to leave the fishery (which is not the case), the lack of alternate job opportunities in Newfoundland, and, now, in mainland Canada mean their choices are extremely limited. What is needed are made-for-Newfoundland fisheries policies; policies that respect regional differences and allow for the social and economic well-being of people in the regions.

¹Approximately 74% of the inshore vessels in Newfoundland are small boats (under 25 feet). About 24% are between 25 and 44 feet. Only 3% of inshore vessels are over 45 feet (DFO, 1985).

METHODOLOGICAL CONSIDERATIONS:
THE USE OF GROUNDED THEORY

According to C. Wright Mills, classical social analysis is;

"...a definable and usable set of traditions; ...its essential feature is the concern with historical social structures; ...its problems are of direct relevance to urgent public issues and insistent human troubles". (Mills: 1959, p. 21)

In this study it shall be argued that the historical social structures that have marked life in Newfoundland fishing communities for hundreds of years (ie. the social relations of household production, especially the fishing aspect, and occupational pluralism) are under sustained attack by federal government fisheries policy. The concern here is that the logic of an urban industrial society is being applied to Newfoundland and the inappropriateness of this results in the erosion of traditional self-sufficiency and losses to the rural economy. A dearth of alternative job opportunities in the last few years means traditional adaptations have not been replaced by a better system; rather, (and to put it bluntly) inshore fishermen are in danger of being pushed onto the welfare rolls. Certainly, Mills would agree that these problems are urgent and merit the attention of social scientists.

Mills' concept of the purpose of sociological analysis is the first stepping stone but from here we diverge from Mills. Mills generally supported the use of detailed hypothesis as the basis of good social science (1959) but in this study, the technique of grounded theory has been used. This qualitative technique involves the generation of theory through the systematic examination of data obtained through social research. There are several advantages to using this method. For example, Glaser and

Strauss (1974) make the point that theory derived from data cannot be completely refuted by more data and replaced by another theory. As well, the social scientist is able to remain open as the problem of "dubious fit and working capacity" is eliminated.

Grounded theory is derived from data and then illustrated by characteristic examples of data. Its purpose is not to verify a hypothesis but to generate rich data and relevant theory. Although this exercise should not be in isolation from existing theory, the sociologist's main role is as investigator, not 'verifier'.

The fact of inshore fishermen's general dissatisfaction with federal government fisheries policies is well known in Newfoundland. Wanting to document and analyze the conflict and its implications for fishermen and their communities, fishermen throughout the province were interviewed. Using qualitative techniques, our aim was to investigate the issue and generate much needed data and theory on the social and economic problems of the inshore fishery.

INTERVIEWING FISHERMEN

In this study, qualitative research methods, namely open-ended face-to-face interviews were employed. The use of a close-ended survey or questionnaire would not have yielded the kind of rich data this type of examination requires. As well, many of those interviewed lack formal education so a mailed-out questionnaire might not have had a sufficient response rate.

In the initial stage, a review of the departmental literature of the Departments of Fisheries and Oceans, and Employment and

Immigration was carried out. In addition, relevant legislation, such as the Unemployment Act, was studied. Next, informal unstructured interviews with officials from both departments were carried out. The purpose of this exercise was to broaden our knowledge of policy and policy direction. Interviews were then conducted with approximately 45 inshore fishermen throughout the island and Labrador, including every major region and both small boat and longliner fishermen (see Appendix 1).¹ Key informants were interviewed; fishermen who are involved in local Fishermen's Committees and other community groups. These informants were referred by provincial government officials, the Fishermen's Union and Memorial University Extension fieldworkers.

The interviews were conducted in the fisherman's home community or as near as possible. Fishermen were interviewed in their homes, their community halls, their 'stages' (work sheds) or onboard their vessels. In some cases, fishermen were interviewed in small groups, often as a family, and, on one occasion, a meeting with 18 fishermen was held. The setting of each interview was determined by the respondent(s). The aim of this was to remove common feelings of a hierarchical relationship between the researcher and the interviewee.

The interview was structured with open-ended questions (see Appendix 2) and most often took the form of a dialogue. The interview schedule served as a guideline for discussion and the open-ended format allowed for the development of rapport and the collection of rich data. The face-to-face aspect of the interviews enabled one to ask further questions immediately and seek elaboration on fishermen's comments.

1. These interviews were carried out as part of my work for the Royal Commission on Employment and Unemployment, Government of Newfoundland and Labrador.

Feminist sociologists point out that the protocol of interviewing assumes a predominantly male model of sociology and of society. That is, the interview is seen as an objective instrument of data collection and 'bias' is viewed as problematic (Oakley in Roberts: 1981, p. 31).

Feminist social scientists stress the importance of developing a personal relationship, as is possible, with the interviewees; this means responding to their questions fully and interacting with them on a personal level.

Feminists see bias as individual differences and "the condition under which people come to know one another" (p.58). In a sense, such feminist sociology is a form of humanist sociology which has a long and venerable tradition dating back to the Chicago School of the 1920s. By keeping this philosophy of social science in mind, we were able to develop a deeper understanding of the lives of Newfoundland fishermen and, in so doing, build on our respect for and concern with their way of life and their problems. This is consistent with Mills' call to sociologists attend to urgent public issues and insistent human troubles.

CHAPTER 1

THE SWELLING OF THE TIDE;

NEWFOUNDLAND, DEVELOPMENT DIRECTIONS AND GOVERNMENT POLICY

"It is hardly an exaggeration to say that, with increasing affluence, economics has moved into the very centre of public concern, and economic performance, economic growth, economic expansion, and so forth have become the abiding interest, if not the obsession, of all modern societies."

E. F. Schumacher

"They want production to be limited to useful things, but they forget that the production of too many useful things results in too many useless people."

Karl Marx

INTRODUCTION

The study will begin with an attempt to theoretically define the Newfoundland economic situation and place Newfoundland in a larger socio-economic setting. To accomplish this the assumptions made by theories of underdevelopment, dependent development and dependency theory are discussed. In this dissertation, Newfoundland is viewed not as an underdeveloped region, but, certainly since confederation with Canada in 1949, as a dependent-developed one. In accordance with the views of economist E. J. Schumacher the outport household economy (to be discussed in Chapter 2) is seen as strength of Newfoundland society.

The main concern of this study is the inappropriateness of federal fisheries policy and related unemployment insurance rules and regulations; this inappropriateness poses a threat to the traditional economic adaptations of fishing Newfoundlanders, as we shall see in Chapters 3 and 4. Firstly, however, the development of federal fisheries policy will be looked at. The basis for this policy is common property theory as outlined and elaborated on by H. Scott Gordon, Parzival Copes and Michael Kirby. The discussion of development theories, to which we now turn, will lead into a look at the evolution of DFO's policies.

NEWFOUNDLAND AND THE ISSUE OF DEVELOPMENT

There are a variety of sociological and economic theories which should be examined in any attempt to define the Newfoundland economic situation and the place of Newfoundland in a larger socio-economic setting. Following this, we will turn to the evolution of government fisheries policy.

Andre Gunder Frank (1969) describes capitalism's inherent need to centralize as taking the form of polarization into a metropolitan center and peripheral satellites. The metropolis expropriates economic surplus from its satellites and appropriates it for its own economic development. In Canada, this process occurs as raw material is extracted from Newfoundland and other regions to be processed in industrialized Ontario and the United States; then much of it is returned to the regions to be sold there. Frank says the satellites remain underdeveloped because they do not have access to their own surplus and as a consequence of the same polarization and exploitative contradictions introduced and developed in the satellites. This economic structure is maintained both within the metropolis and the satellites, with the final result that one or both abandon capitalism. In this way, the development of capitalism generates both economic development and structural underdevelopment. Frank's analysis implies that all economic systems affected by capitalism become capitalist ones.

Frank ignores the possibility of economic dualism; certainly the rules of capitalism are modified everywhere, by administrative, legislative and cultural practices, especially in peripheral regions like North Norway and Newfoundland. Ottar Brox pointed to traditional economic practices being carried out alongside modern wage work and called Newfoundland "a truly economically dualistic place".¹ He saw fishing communities particularly as immune to technical modernism and compared Newfoundland to Middle East countries where "the Arab herdsman tends his goats in the same way as in biblical times, within view of electronically controlled oil wells" (Brox:1972, p. 6). Matthews, too, points out, that different 'modes of production' can co-exist alongside capitalist ones; in some rural areas, patron-client economic and social organizations operate next to or in combination with industrial or commercial capitalism. (1983).

Fernando Cardoso (1973, 1977) and Peter Evans (1979) explain dependent development as resulting from an alliance between local entrepreneurs and external enterprises (multinational corporations): the state joins the alliance as an active partner in fostering accumulation. In dependent-developed countries or regions the rate and direction of accumulation is externally conditioned but development occurs. Cardoso says it comes from "the massive investment of foreign capital aimed at manufacturing and selling consumer goods to the growing urban middle and upper classes which is consistent with, and indeed dependent upon, fairly rapid economic growth in at least some crucial sectors of the

¹In Chapter 2 and elsewhere in this dissertation the common practice of combining wage work with subsistence activities to make a living will be discussed. The point alluded to here is that the traditional outport household economy remains strong in Newfoundland, as will be seen.

dependent country." (1973: p. 149) Unlike Frank, Cardoso recognized that all dependent societies are not underdeveloped. In the sense that Schumacher (1974) sees 'underdevelopment', Newfoundland, and particularly its fishing communities, is not underdeveloped, as shall be discussed later. Much of the capitalist activity that takes place in Newfoundland is controlled by external forces and therefore the society as a whole is dependent-developed.

As an advocate of dependency theory, Ralph Matthews (1983) develops insights into the social implications of dependency in Canada. For him, uneven economic development between regions² is a natural characteristic of the capitalist system; capital (through taxation and consumption) and resources (specifically raw materials) are expropriated from the peripheries to economically (and politically) powerful Central Canada. Unemployed Atlantic residents constitute the national system's necessary surplus of available labour.³ Dependency theorists like Matthews see regional economic disparity as "the regional manifestation of the general pattern of class exploitation in capitalist society" (1983 p. 51).⁴ In this dissertation Newfoundland is viewed as a dependent-developed region as well as a region characterized by a degree

²A region is a territorially-based unit, larger than a community or city but smaller than a nation-state, that is distinct in its social, economic and political structures from adjoining territories.

³For example, this labour was needed for the 1970's oil boom in Alberta.

⁴Regional disparity is defined as the uneven distribution of goods, incomes and services from one region to another.

of economic dualism. We will now turn to the re-occurring question of 'unemployment'.

Although each of the authors mentioned above makes use of the term 'underdevelopment', it must be pointed out that the term implies inferiority. It is also ethnocentric as it implies, wrongly, that there is an ideal point of development on the (imaginary) linear scale which all societies can and should strive toward. I would like to emphasize that Newfoundland society is not underdeveloped in that its people have developed economic adaptations appropriate to their environment which have allowed them to sustain themselves and generate a unique culture. 'Underdevelopment' defines a concept that is relational; it results from from a region's relationship with other regions. I prefer to use the term 'economically-troubled' when discussing Newfoundland in a larger context.⁵

Writing in 1974, the economist E. F. Schumacher warned modern society of the dangers of taking a path that is destructive to nature and to humanity. Schumacher foresaw several devastating consequences of the course modernization is taking; the collapse of the rural economy, high unemployment in both urban and rural areas and "the growth of a city

⁵I would also like to make a related point here. That is, analyses of regional (economic) disparity should not be used to make inferences about the quality of life in one region as compared to another. Current usage of the term takes into account only one indicator, that of (monetary) economics, which is often not the most suitable indicator to use in discussing quality of life. In Newfoundland key indicators of quality of life include close proximity of kin and home ownership. These might not be important in a more modern, industrial setting.

proletariat without nourishment for either body or soul" (Schumacher: 1974, p. 58). These developments were (and are) the result of a philosophy that ignores humanity's dependence on the natural world and divides activities into categories of 'economic' or 'uneconomic' (i.e. failing to return adequate profits in terms of money). From this standpoint, subsistence activities like hunting and small boat fishing are not justifiable and their very right to exist is ignored. These activities are viewed as impediments to 'economic growth' and those people who participate in them and encourage them are considered 'backward' and 'rural romantic'. However, to say this is to ignore the 'real' economic value of such activities which, in the case of — Newfoundland, provide many people with food and shelter.

Espousing what he called Buddhist economics, Schumacher said the most rational way of economic life is production from local resources for local needs, dependence on import and export is uneconomical and justifiable only on a small scale. For him, the choice is not one of 'modern growth' versus 'traditional stagnation' but choosing the right path of development. Schumacher supports the technology of 'production by the masses'; 'labour - intensive intermediate' technology which is not primitive and is compatible with decentralization and the laws of ecology. To generate and promote this sort of technology is, said Schumacher, a completion of the development of modern technology.

Schumacher would have viewed the traditional economic adaptations of Newfoundlanders (to be discussed fully in Chapter 2) as appropriate and economically rational. If he were alive today, he would also have been alarmed by the increasing 1980's emphasis on capital-intensive mega-projects and the growth in state policy that is in direct conflict with employment and the rural economy.

THE ROLE OF THE STATE IN CAPITALISM

According to Marxist theorists, the state does not act in the interests of all the groups it governs. The interests of workers are largely ignored, says Miliband, or workers are appeased through short-term measures. In the Newfoundland case, this translates into short-term, government sponsored make work projects for inshore fishermen and plant workers. Projects are sponsored when fishery workers (and others) fail to qualify for unemployment insurance; workers' efforts are concentrated on getting government to provide them with ten or twenty weeks work and the complex problems of the inshore fishery are not dealt with in government's policy and planning.⁶ Ralph Miliband and others say that the state acts in the interests of capital. In his book, Ralph Matthews quotes the Poushinskeys:

⁶Chapter 4 deals extensively with the unemployment insurance system for fishermen (which will be presented as inappropriate and detrimental to traditional economic adaptations).

"This (action of the state) is the expression of the interests of the predominant faction of capital in this faction's role as the cohesion building for the power bloc. In particular, we see the role of the state in the (Canadian) fishery recently, over the past 50 years or so, as intervention to assist in the consolidation of the trends toward monopoly capitalism." (1978, p. 25-6)⁷

Matthews viewed the above statements as exaggerations but the past few years in Newfoundland have seen the restructured major fish companies, Fishery Products International and National Sea, granted virtual monopoly of the lucrative Northern Cod stocks. State support for the giant fish companies has also included large injections of state capital; F.P.I. was given \$105 million in government funds in early 1986. Government emphasis has been on the industrialized year-round, offshore sector and the huge fish companies (instead of the small-scale, labour-intensive, seasonal inshore harvesting sector and independent processors) for about two decades. It culminated in the 1983 restructuring of the offshore sector (a strategy which grew out of the Kirby Task Force Report and, as F.P.I. and National Sea expect profits in 1986, (fortunately) seems to be working). At this point, we will turn to a discussion of the evolution of present government policy.

⁷Cited in Matthews: 1983, p. 206.

THE ORIGINS OF FEDERAL GOVERNMENT FISHERIES POLICY

The federal government fisheries policy of today has its roots in the works of influential writers like H. S. Gordon, Parzival Copes, and, more recently, Michael Kirby of the 1982-Task Force on Atlantic Fisheries. The works of each of these theorists will be examined here in turn.

In a 1954 article, Gordon blamed the economic troubles of fishermen on the common property nature of the resource they harvest; fish are owned by no one and therefore may be exploited by anyone. He felt that as long as the fishery remained open to all and competitive, the fishing incomes of individual fishermen would remain low despite the richness of the resource. Gordon said that the exploitation of the fishery could yield rent only if the resource were converted to private or public (government) property and "in either case, subject to a unified directing power (the state)" (Gordon: 1954, p. 135). Without such regulation, there would be, said Gordon, too many fishermen and hence, too few fish for the prosperity of those involved.

Common property theory, upon which Gordon's work is based, suggests that too much harvesting capacity is possible and can threaten the resource, and, then, the viability of fishing operations. Certainly, as Gordon stated, regulation is necessary and DFO has instituted a system of quotas. However, the department has taken the theory a step further

to assume that the numbers of fishermen must be restricted; decision-makers have confused harvesting capacity or technology with numbers of actual fishermen. Furthermore, Gordon's influential work is flawed with several incorrect assumptions. In describing fish as a common property resource, Gordon falsely assumed that a fisherman may fish where he or she pleases with resultant competition among fishermen which "culminates in the dissipation of the rent of the intramarginal grounds" (p. 131). However, fishing crews in Newfoundland usually have their own traditional fishing grounds; in some cases, generations of the same family have fished the same small fishing ground for centuries. In other cases, a fishing ground is harvested by the fishermen of a particular community and berths for individual crews are drawn annually at pre-season meetings. The fishing grounds are named; for example, there are Hunter Grounds and Red Head Ledge near St. John's. In an unpublished report, J. D. House has called the areas fished by particular fishermen 'discrete niches' (Royal Commission Background Report on Fisheries, 1986). The fishery is not the free-for-all Gordon viewed it as. Furthermore, DFO's annual surveys of fishermen's earnings reveal that a decrease in the number of fishermen does not lead to higher incomes for those fishermen remaining (see Tables 3.1 and 3.2). If it were a case of too many fishermen chasing too few fish, fishing incomes would rise with declining numbers of fishermen.

Parzival Copes is another influential fisheries economist who emphasized the notion that the Newfoundland fishery is too labour-

intensive. Although Copes recognized the dearth of alternate employment opportunities, he believed that the pressure of surplus labour had a negative impact on individual productivity and depressed fishing incomes. If the surplus and "unproductive" labour was not accommodated elsewhere, said Copes, average returns would never improve (Copes: 1964, p. 34). Pointing to multi-national overfishing (which has been curbed somewhat by the 1977 implementation of the 200 mile economic zone), Copes said that the inshore fishery was not capable of expansion and even sustenance was problematic, despite the injection of state capital. In 1969, he concluded that "the increased manpower and capital have simply tended to divide the relatively fixed total catch for each year over a larger number of men and a larger amount of capital" (Copes: 1969, p. 23). Like Gordon, Copes believed there was a density of operations by individual fishermen on the more productive inshore grounds; he referred to this as "crowding" (IBID.) This theorist realized the political and social problems that would result from the phasing out of surplus labour and capital but he promoted the need for a limited entry licensing system similar to the one instituted by DFO several years later (Copes: 1970, p. 21). Copes also supported a shift in government's emphasis from inshore to offshore, salt fish to frozen fish and seasonal to year-round operations. This philosophy was adopted by Michael Kirby, the chairperson of the Task Force on Atlantic Fisheries (which reported in 1982).

Like Gordon and Copes before him, Kirby viewed fish as a problematic common property resource. He saw fishermen racing for fish,

competing against one another and trying to maximize their share of the quota. For Kirby, this prevented economic viability from becoming a reality; "...when everyone competes for a share of a common, but limited, resource the result is a zero-sum game; one man's gain is always another's loss" (Kirby: 1982, p. 14). Kirby also pointed to "excessive" harvesting capacity which, he felt, prevented the generation of adequate incomes and returns on investment for fishermen. He, too, ignored the dominance of 'discrete niches' throughout the history of Newfoundland's inshore fishery. This theorist said the common property aspect of the resource meant exploitation of it would not be economically viable without state intervention and regulation.

Also necessary for economic viability, said Kirby, is the rationalization and modernization of the fishery.⁸ According to Kirby, the seasonality and "low annual productivity" of Newfoundland's inshore fishery is "fundamentally a problem of technology" (p. 93). Kirby said the dominance of small-scale technology was detrimental to Newfoundland's "economic development" (i.e. industrialization and rationalization). In accordance with this position, the Task Force recommended that priority be given to the development of new harvesting technology such as large longliners, and to the more industrial offshore processing and harvesting sectors. The work of the Kirby Task Force resulted in the formation of Newfoundland's giant offshore fish company, Fishery Products

⁸Kirby defined 'economic viability' as "an ability to survive downturns with only a normal business failure rate and without government assistance" (p. 60).

International Limited, which is owned by both governments and the Bank of Nova Scotia, and a new emphasis on and era for the offshore fishery. The more labour-intensive inshore fishery did not receive major injections of state capital, as did the offshore, and it continued to be governed by inappropriate regulations and marked by ad hoc decision-making and a lack of policy direction. This will become clear in the later chapters on licensing and unemployment insurance. First, the inshore fishery and rural economy of Newfoundland needs to be looked at.

CHAPTER 2

FISHING FOR A LIVING;
TRADITIONAL ECONOMIC ADAPTATIONS IN NEWFOUNDLAND

"There's a lot of things we can do around here for ourselves. We cut our own lumber and build our own houses. You can live pretty cheap here. Everywhere else you'd have to pay bills. You can't make much money here but you'd never be hungry in Harbour Deep, oh no!"

Small Boat Fisherman

Great Northern Peninsula

INTRODUCTION

This study is concerned with the conflict between the traditional economic adaptations of Newfoundland fishermen and federal government fisheries policy. In the previous chapter an attempt was made to place Newfoundland in a larger economic setting. It was concluded that the rural economy of Newfoundland was not underdeveloped; rather, it was seen as appropriate and a strength of Newfoundland society. Here we shall take a closer look at the outport household economy and economic adaptations that have marked life in Newfoundland for several centuries. It shall be noted here, and throughout this study, that these adaptations have always been dynamic and flexible. Like the inshore fishery itself, the traditional outport economy has undergone many changes and been subject to many influences but it has continued to be a mainstay in Newfoundland life. An historical examination of the inshore fishery and the larger rural economy follows.

HISTORICAL OVERVIEW OF THE NEWFOUNDLAND FISHERY

The Newfoundland fishery began sometime in the late 1400's as a result of the Europeans' search for new sources of food. Despite prohibitions on settlement in the British colony, some visiting English and Irish fishermen decided to stay and by the mid to late 1700's, there was a sizeable population, almost entirely dependent on the fishery. For hundreds of years, the fishery has depended on the exploitation of a

single species, the Atlantic cod (*Gadus morhua*). Cod was abundant and when salted and sun-dried, it was a light-weight, well-preserved food, rich in protein. The relative ease of transporting dried salt cod meant it provided nourishment for people on three continents for centuries. The method of catching and curing fish changed little in the first few hundred years of the Newfoundland fishery. Small open boats and baited hooks and lines were used. Curing was done onshore in stages (covered platforms built onshore) by a team of people, usually family members, who included the "cut-throat", the "header", the "splitter" and the "salter". The fish was left in salt for five or six days, then washed with sea water and then laid out on flakes (table-like structures constructed onshore) to dry and cure. In some conditions the process was modified (e.g. in the Labrador fishery much more salt was used and softer fish was produced). As permanent settlements grew, other species were exploited; salmon since the early 1700's, herring since the mid-1800's and lobster for the last 100 years. Seals have been hunted off Newfoundland shores since as early as the 1540's. (Smallwood: 1984, p. 132).

The 19th century, which saw Newfoundland granted Responsible Government and a legislature in 1832, also saw gradual changes in the types of gear Newfoundland fishermen were using; the trawl was used on the Grand Banks and the cod trap was developed in the 1870's.

The next century saw the island and Labrador resort to Commission of Government rule in the Depression years until Confederation with Canada in 1949. Under the terms of the British North America Act the Government of Canada gained jurisdiction over the development and regulation of the harvesting sector of the fishery. The province's authority was limited to the processing sector. During this time, the salt fish industry was in rapid decline due to changing market requirements, new technology and the 1959 federal assumption of responsibility for marketing; the traditional Caribbean market, for example, were lost and markets for frozen cod blocks developed (Alexander: 1977, p. 128). Salt fish was replaced by frozen fillets produced in fish plants onshore, although some salt fish is still produced today. The fisherman's traditional role had changed and become more specialized:

"Traditionally, he had controlled the process of the produce, after World War II, he need only catch it, perhaps clean it and gut it, and sell it to a fish plant. At the plant, the tasks of cleaning, gutting, washing, filleting and freezing were performed usually by workers but sometimes by automated machines" (Smallwood, 1981, p. 132).

These changes set the stage for the development of the inshore fishery of the 1980's.

THE NEWFOUNDLAND FISHERY TODAY

Today there are 24,886 registered fishermen in Newfoundland (DFO, 1986) as well as thousands of fish plant workers in over 200 fish plants. (Department of Fisheries, Newfoundland, 1985). An offshore harvesting sector has been developed, as has a longliner fleet (in the late 1960's and 1970's) and an inshore dragger fleet (in the late 1970's). However, the vast majority of fishermen operate out of small boats; 93% of vessels in the fishing fleet are under 35 feet (DFO, 1985). Although mackerel, capelin, crab and many flatfishes are harvested today, cod remains the dominant species; 388,675 metric tons of cod (almost three-quarters of total landings) at a value of \$350,059,000, were landed in 1983, approximately 35 per cent of it by the small boat and longliner fleets (DFO, 1985). Most of this fish, as well as most of Newfoundland's other fish products, is headed for the United States. The industry is one of the largest employers in Newfoundland but it is troubled in a number of ways; profits elude some plant owners and many fishermen, certain species, such as the lucrative crab, have been overfished, and in some years, like 1985, the fish fail to come inshore and fishermen haul up empty nets. Meanwhile hundreds of small and not-so-small communities in Newfoundland remain dependent on the fishery, and so do, indirectly, larger service centres. The outport household economy has been another important feature of life in rural Newfoundland.

THE TRADITIONAL OUTPORT HOUSEHOLD ECONOMY

Throughout Newfoundland history, the patrilocal extended family has been the primary economic unit. Outporters traditionally survived on what Wadel has termed a **balanced** combination of subsistence production; production without intervening acts of exchange among production units, and production for exchange (Wadel: 1969, p. 10.). The latter consisted largely of trading cod with the outside world through the outport merchant. This trade was conducted on a credit basis with little or no cash involved. The merchant would supply the fisherman with fishing gear each season and throughout the summer, consumption goods would be added to the account or, in some cases, a separate 'household account'. The fisherman's dried salt cod was brought to the merchant (often the only one in the community) at the end of the season to be appraised. The entries on the account(s) were deducted from the value of the fish and the balance was put on the account so the fisherman could secure winter supplies. This patron client relationship continued for years and even generations with the fisherman rarely, if ever, seeing cash. Generations were raised on credit; in the case of the fisherman going into debt, the merchant would usually continue to supply him until a good fishing season would allow him to emerge from debt. The merchant's profit came largely from the sale of the fish the fisherman supplied him (See Faris, 1967). Said Wadel; "The essence of the relationship between the merchant and the fishermen then, was that the merchant

would continue to provide the necessary products of the outside world, as long as the fishermen continued to provide fish" (p.18). The system began to decline in the early twentieth century with the establishment of the Fishermen's Protective Union (F.P.U.) and its numerous co-operative stores. Unlike the merchants, the union encouraged the development of new technology and pressured government to introduce fisheries legislation, although it, too, operated a credit system.

Wadel describes the other side of the balanced combination of subsistence production:

"Subsistence or household production supplied the outport household with a major part of its consumption needs: this included a variety of vegetable and animal, forest and marine products. In addition, the outporters produced part of their needs for clothes, especially knitwear, and built their own houses, stages and wharves. The extent and amount of this subsistence production varied, of course, from community to community and also from household to household within a single community." (p. 12)

Many social scientists have described the outport household economy (see Faris, 1966, Brox; 1972, and Firestone; 1967). Among other features, they point to the sexual division of labour in production and the economic value of all members of the household. Male members were responsible for building, cutting timber and firewood, fishing and hunting. Women were in charge of gardens, animal husbandry and much of the processing of fish; a few women were involved in the harvesting sector (Porter, 1985). Fishing crews were traditionally large family

crews. Paris says the norm was a father and his son or sons with the father controlling all the transactions and any cash income. Upon retiring, a fisherman tried to help all his sons by giving one the boat, another, the trap and so on. The involvement of women (the wives of the family fishing crew) and their children in "making" (curing) fish meant they constituted part of the exchange sector as well as the subsistence sector. As long as there was a supply of labour, there was no need for technical innovations in the fishery or in subsistence activities. Besides, the nature of the merchant system and subsequent cash shortages and absences made many innovations all but impossible.

THE FISHERMAN AS OCCUPATIONAL PLURALIST

The above discussion shows that; above all else, Newfoundland men and women were traditionally occupational pluralists. (In this sense, my use of the term 'fisherman' is misleading.) In order to exploit all available resources, it was necessary for outport people to be hunters, farmers, builders and fishermen. Note that these resources were not exploited in excess of household needs. The main role was not specialized or strictly occupational in nature, as it is industrial society; rather, heads of households were providers. Social scientists have pointed to several factors which mitigated against specialization in the fishery or any other industry. First of all, there was the short duration of the fishing season; the season is usually only a few

months long. Secondly, there is a lack of other use for labour throughout the rest of the year; thus hunting in the fall, for example, served not only its economic purpose but also to structure and pass time. Another factor which necessitated occupational pluralism was the shortage of cash among fishermen; items which were produced at home, such as vegetables and jams, would have been too expensive to buy, especially if travel were involved. Today, the fishing season remains short, for natural reasons and because inshore (i.e. small boat) technology has not changed to any great degree and there is still a lack of alternative use for labour throughout the year, especially as unemployment rates in Newfoundland continue to soar. As well, although fishermen today have more cash than their parents did, the monetary incomes of most Newfoundland fishing families remain low. Since the factors which promoted occupational pluralism and subsistence production have not changed, it is not surprising that these traditional activities should continue today. However, it will be shown that traditional values, such as the self-sufficiency of the household, and practices, like passing the enterprise from father to sons, are threatened by government policy and subsequent rules and regulations. Perhaps this would be more tolerable if a higher standard of living were the result; however, we are seeing instead the growth of rural poverty and dependency on government. The positive side is that the outport household economy has survived numerous threats in the past, most notably out-migration and the resettlement program.

THE SURVIVAL OF THE OUTPORT HOUSEHOLD ECONOMY
IN THE POST-CONFEDERATION ERA

Several developments in the post-Confederation period have posed threats to traditional economic adaptations in Newfoundland communities. Two of these, the provision of social services and the introduction of federal government fisheries regulations, are the subjects of other chapters. Observers have pointed to other such developments, including the growth of alternative employment outside Newfoundland fishing communities, the modernization of the fishery, and government resettlement programs.

The early post-Confederation era saw a large-scale growth in wage jobs, particularly in construction, in Newfoundland, and the opening up of employment opportunities in mainland Canada.¹ Many of the jobs required unskilled or semi-skilled workers and so significant numbers of 'fishermen' were able to avail of the opportunities. As well, much of the work was temporary or seasonal and so fitted in easily with traditional work activities. This was true even if the work was in urban Newfoundland or on the mainland; outporters would often leave their families home and return home themselves when the job was completed. There were, of course, many cases of families leaving

¹The period reminds one of the World War II years in Newfoundland, when the establishment of several American bases almost eliminated unemployment on the island.

their communities, especially for Toronto; quite often, the entire extended family migrated. Some of these families, but not all by any means, returned home to Newfoundland when they found themselves unemployed. "You'd never starve here (in Newfoundland)" is a common saying which means being unemployed in Toronto, for example, is far worse than being unemployed in one's home community. Wadel identified two "more or less distinct" categories of out-migrants; the skilled permanent commuter and the less skilled occasional commuter (Wadel, p. 65). The latter type was far more common and more likely to keep up traditional obligations. The population grew from 347,000 in 1949 to 510,000 in 1971, mainly because of a high birth rate, in spite of one of the highest rates of out-migration in Newfoundland's history (Matthews: 1976, p. 22). Periods of high unemployment in urban Newfoundland and mainland Canada result in much return migration to Newfoundland fishing communities and a decrease in migration from them.² The out-migration that has occurred since Confederation (and before it, to the New England States) must be seen in this context; it has not led to the demoralization of Newfoundland communities. Below I shall discuss how wage labour is combined with more traditional forms of income.

The federal and provincial government resettlement programs of the 1950's, '60's and early '70's resulted in the evacuation of several hundred communities, many on offshore islands, which had an average

²The official unemployment rate for St. John's hovers around 16% in early 1986 while the Canadian average is about 10% (Statistics Canada: 1986).

population of 65. (Rowe: 1980, p. 520). The purpose of the programs was to bring people in isolated areas to modern conveniences and decrease the dispersion of the population, and to promote economic development and growth centers. Many communities resisted the program as they saw it as an attack on their way of life. Most observers now view the programs as a dismal failure; they resulted in much psychological distress for the approximately 10,000 people who moved and, in many areas, the resettled people make up a large number of the long-term unemployed. (People were moved to the Port-au-Port Peninsula from the island's South coast, for example, where there simply were not enough jobs and some of the means for subsistence, such as boats, had been left behind.) I would like to add that while some of the resettled went to interior towns like Grand Falls and Windsor, most moved to what were merely larger outports, such as Grand Bank, Arnold's Cove, and Bonavista. In some cases, especially in Conception Bay, people moved only a few miles down the road. In many of these cases, then, it was quite possible to carry on the usual economic adaptations. While the resettlement programs led to the elimination of hundreds of small communities (and I do not want to understate the trauma undergone by those involved), the traditional Newfoundland way of life itself was not destroyed. In 1981 60.4% of the province's population live in rural communities (with a population of under 5000). (Newfoundland Statistics Agency, 1985) • Although the proportion has decreased in the last few decades, (it was 33% in 1951), Newfoundland's population is the most rural in Canada and it has, besides eight towns of

between 5,000 and 10,000 people, only two cities, St. John's and Corner Brook. Even in these two cities, many residents partake in subsistence activities, like hunting. Next we shall turn to the economic activities of inshore fishermen.

THE OUTPORT HOUSEHOLD ECONOMY OF TODAY

From my interviews with fishermen, it was possible to construct a picture of their annual work calendars and incomes, both monetary and non-monetary. By late spring, most inshore fishermen are ready to commence fishing; their gear has been repaired, often with the help of spouses and children, and painting and repairs to the vessel have been completed. Fishermen's unemployment insurance benefits (to be discussed in detail later) are cut off on the second Monday in May.³ Ideally, fishermen would be able to commence fishing at this time but, frequently, ice and weather conditions and regional differences mean they cannot. Usually the only vessels with a reasonable chance of getting out at this time are the large longliners but in some years even they cannot fish until late in June. Most fishermen fish one or two species but some fish three or four; this depends on the region, the type of vessel they have and licensing regulations. Different species appear at different times; for example, capelin comes very briefly in later June and July.

³This is true from Main, Labrador, to St. John's to eastern points on the South Coast. The exception is the Southwest Coast where a winter fishery dominates and many fishermen collect unemployment insurance from mid-May to mid-November.

Small boat fishermen usually fish from before dawn til late morning or early afternoon. The 35 to 65 foot longliners are at work from before dawn til later afternoon or early evening. Three or four people, usually fathers and their children, or several brothers, make up most longliner crews. High school students, usually boys, may be full crew members or extras paid half-shares. Usually only one or two fishermen work out of a trap skiff or speedboat. In instances where two fishermen are fishing together, they are usually related as father and child or, in some cases, husband and wife.

Fishing and, hence, work in the inshore fish plants slows down in the fall; fishermen will go out less and less as fish gets scarcer and weather conditions worsen. As the fall goes on, it becomes uneconomical to keep going out. On November 1, fishermen who have accrued ten or more work-weeks (or "stamps") are eligible to file for unemployment insurance.⁴ Those fishermen who have not collected benefits before must accrue 20 stamps.

Parts of the fall, winter and early spring are spent "gearing up" for the next fishing season. Much of the gear used is bought ready-made but most fishermen repair nets, crab pots, and other gear themselves with the help of their families. In some cases, repairing gear is "the wife's job". Some fishermen buy the material for nets, lobster pots and other items and make them themselves.

⁴As will be explained in Chapter 3, these "work-weeks" or "stamps" do not usually translate into weeks actually worked. For example, it may take three weeks of fishing to earn one stamp.

During the off-season, fishermen hunt and trap. Many of the fishermen interviewed have moose licenses and many hunt rabbits, partridge, turrs and other birds and small game. Preparing this food is mostly the job of the women while providing it is the men's duty. Especially in the off-season, a great deal of time is spent cutting and hauling wood to serve as fuel or lumber. Almost every fishermen interviewed had built his own house, often with the assistance of family and friends and, in the case of a second house, older sons and sons-in-law.⁵ Most house-building is carried out in the spring and fall with some work being done in the summer. Many inshore fishermen who build their boats; both small boats and longliners, do so primarily in the off-season.

It is obvious that the average inshore fisherman has a good deal of non-monetary income including food from moose, seals, fish, rabbits and birds and vegetable gardens. Very few fishermen have house mortgages to pay and, through the use of wood, many of them are able to cut down on heating bills. Through subsistence activity, fishing families are able to limit their expenses. Monetary income comes from several sources as well, including income derived from fishing, unemployment insurance benefits, wage labour and monthly family allowance payments. Most inshore fishermen interviewed reported very

⁵Newfoundland has the highest rate of home ownership in Canada, with over 80% of the population owning their homes. (Statistics Canada: 1985).

low and declining incomes derived from fishing.⁶ For example a fisherman with a 35 foot boat in which he fishes only cod, by hook and line, grossed \$24,000 in 1982 (an excellent year for him), \$12,000 in 1983 and \$4,00 in 1984. Like many, this fisherman blames low inshore landings and high expenses. Another small boat fisherman recorded his "very bad" 1985 budget as follows in Table 2.1:

Table 2.1

FISHING OPERATIONS BUDGET OF A SMALL BOAT FISHERMAN, 1985

Landings:	Lobster Landings	\$2,800
	Cod landings	\$ 900
	<u>Total Landings</u>	<u>\$3,700</u>
Expenses:	Gear Replacement	\$ 150
	Fuel	\$ 400
	<u>Total Expenses</u>	<u>\$ 550</u>
<u>Income From Fishing: \$3,700 - \$550 = \$3,150</u>		

Longliner fishermen have somewhat higher incomes, although some years have seen those fishing lucrative species, like crab, earn high fishing incomes. These periods might be called "booms" but they are unusual and usually confined to a small number of fishermen. A Green Bay longliner owned and operated by three brothers cleared \$33,000 in 1983 (a very good year), \$20,000 in 1984 and just \$8,000 in 1985. A survey

⁶The exception to this is the approximately 520 fishermen who fish groundfish and shrimp or scallops almost year-round in inshore draggers, 55 feet and over, using otter trawls. Their fishing incomes are extremely high; for example, the three crew members of one dragger grossed \$40,000 each in 1985 while the skipper grossed approximately \$55,000. Most of these fishermen do not even collect unemployment insurance. Their situation is so atypical, it is not dealt with in this thesis.

carried out by the Port de Grave Fishermen's Committee revealed that the average area longliner fisherman earned \$20,000 three years ago, \$11,000 the next year and between \$4,000 and \$6,000 in 1985. One longliner skipper said his take-home fishing pay was just over \$2,000 in 1985. The fishermen blame over-fishing by longliners and too much offshore fishing by Canadian and foreign deepsea trawlers. Most United Food and Commercial Workers Union (Fishermen's Union) officials point to low fish prices. Prices are set by fish buyers as a result of negotiations with union officials. Generally, fish prices have not increased since the late 1970's and, in many cases, for eight or nine years. However, they have not dropped at all (in nominal terms) since the union's inception.

Unemployment insurance for fishermen which is collected for six months of the year is widely regarded as a necessary income subsidy. Unlike social assistance, there is no stigma attached to it in Newfoundland fishing communities (Hill, 1983). Unemployment insurance helps fishermen to provide the basic necessities for their families; it provides cash to buy materials for the basic house repairs; and it allows fishermen to gear up for the next fishing season. With the demise of the commercial seal hunt, unemployment insurance has become even more important for Northeast Coast and Labrador fishermen. Based on the interviews we can estimate that unemployment insurance benefits

normally constitute between 35% and 55% of fishermen's income. The percentage of total monetary income that benefits constitutes varies considerably from region to region, from year to year, and for the different categories of inshore fishermen. The percentage for longliner fishermen is usually lower than it is for small boat fishermen. One Northeast Coast fisherman who earned \$800 per week in a 12 week fishing season for a total of \$9,600 will collect \$6,000 in benefits during the six month period. Benefits make up 38% of this fisherman's total monetary income. Even in the case of fishermen for whom benefits constitute only 10% or 15% money income, unemployment insurance serves as important stabilizer.

Fishermen also engage in temporary wage work during the off-season, often on federal government make-work projects, when the opportunity presents itself. This will be discussed in detail in the following chapters; particular attention will be paid to the rules and regulations surrounding unemployment insurance which make the combination of fishing and other wage work problematic. Finally, family allowance payments, approximately \$30 per month per child, round out monetary income. Many older fishermen have large families, often upwards of six and seven children. Younger families seem to be following a general societal pattern of having only two children. In many of the households covered in the interviews, there were two income earners and sometimes three, often the husband, the wife and an older child.

There have been a number of studies carried out in Newfoundland which substantiate the picture of the outport household economy I have drawn. In the early 1970's, Ottar Brox (1972) found that a large proportion of the outport population continued to get much of its income by utilizing the free resources of the land and the sea. He outlines the budget of a Bonavista North family compiled by a researcher from the area in 1966 (See Table 2.2 below).

TABLE 2.2

BUDGET OF A BONAVIDA NORTH FAMILY - 1966

Gross returns from inshore fishery, two fishermen	\$ 796	
Son's income from other employment, two months at \$225 per month	\$ 450	
U.I. benefits received by father and son	\$ 760	
Annual amount sent home by working daughter	\$ 120	
Family allowance	\$ 264	
Old age pension at \$75 per month	\$ 900	
Total Monetary Income	\$3,290	
Value of produce from vegetable garden (as % of Tot.Inc.)	\$ 100	(3%)
Value of chicken production	\$ 50	(1.5%)
Value of fishery products consumed by family	\$ 60	(1.8%)
Value of moose, sea-birds, etc.	\$ 140	(4.2%)
Value of wild fruits and berries collected	\$ 30	(0.9%)
Value of firewood and sawlogs	\$ 250	(7.5%)
Value of knitted goods	70	(2.1%)
Sub-Total	\$ 700	21%
Amount and value saved by outright ownership of house in monthly payments and rents	\$1,000	(30.3%)
Total	\$1,700	51.3%
Total Annual Income	\$4,990	

There are obvious difficulties in assigning a market value to a non-market item but the exercise allows us to see that, "for him (the householder) fishing is not everything; it is part of a whole" (p. 23). Brox concludes that the obvious economizing strategy for the household economy is to utilize subsistence opportunities and limit the flow of cash for goods and services which must be bought. He reminded observers that "the rules of the economic game in Newfoundland do not follow as automatic consequences of the fact that the island is part of a so-called capitalist country" (p. 8). He notes that the rules of capitalism are modified everywhere and it is more useful and relevant to compare the Newfoundland situation to those in other North Atlantic regions, such as North Norway, rather than industrialized regions in Canada.

More recently, Hill (1983) reported on five community studies which yielded results similar to those outlined above. He found that subsistence activity, including home repair and renovation, auto repair, hunting, gardening and other activities, remains widespread in Newfoundland communities. Work varies from season to season and:

"...there is a marked lack of specialization. Some men can build boats or houses better than others or mend nets faster but ideally everyone does his own work. In practice, a person may seek advice or help from another through a complex of non-cash exchanges, usually within the person's extended family network." (p. 60)

The community studies revealed that a family's socio-economic status is largely derived from its industriousness in the subsistence sphere. As well, the dichotomy between "work" and "employment" that exists in modern industrial society with its features of specialization and full-time wage-earning does not exist in Newfoundland (IBID).

The outport economy differs, then, from the modern industrial economy and the failure of government policy to respond to this difference results in serious problems. We shall now turn to a discussion of these problems beginning with the issue of licensing fishermen and fish.

CHAPTER 3

NO SENSE NOR MEANING;
LICENSING FISHERMEN AND FISH

"The only thing that good around here is the weather and that's
cause the government don't control it. If the government controlled
it, you'd never see the sun."

Small Boat Fisherman

White Bay

INTRODUCTION

In Chapter 2, a brief history of fishing in Newfoundland was provided as was a discussion of the traditional and present day outport household economy. Worthy of note was the manner in which fishermen also participated in a wide range of other monetary and non-monetary work activities during the off-season. In this chapter, the role of the state in the licensing process and other regulatory practices and their consequences will be examined.

THE DEVELOPMENT OF LICENSING POLICY

The personal registration system by which fishermen are classified as 'full-time' or 'part-time' was introduced by the Department of Fisheries and Oceans in 1981. Tied to it is the species licensing system whereby a license must be obtained before a fisherman can fish a particular species and certain types of fishing such as crab and lobster fishing are regulated by limited entry. This system was introduced in 1976 although modifications to it were made before and after that year.

These programs were conceptualized as early as 1973 when the Department of Fisheries and Oceans announced its intention to register gear, and register and license all fishing vessels, skippers and operators. DFO provided three main reasons for the changes:

- (1) the need to make more efficient use of the nation's labour and capital;
 - (2) the need to protect the resource and;
 - (3) the need to increase the incomes of fishermen in Eastern Canada. (Alexander and Story: 1974, p. 13)
-

Despite what may have been good intentions, the confusion with harvesting capacity and numbers of fishermen was obvious; Mr. Jack Davis, then Minister of Fisheries and Océans, believed that new offshore vessels were needed but that the number of new entrants to the inshore fishery should be restricted so pressure on the fish stocks would not be increased. To decide who the new entrants would be, said Davis, 'bona fide' fishermen must be distinguished from 'non-bona fide'. As DFO officials stated to the press, the intent of registration and licensing was to "protect bona fide fishermen and make the fishery a professional fishery" (Mr. Bill Bowen, CBC, St. John's, Nov. 30, 1973).

DFO's decision to implement restricted registration and licensing systems reflected a belief that too many fishermen were fishing too few fish, as Gordon had postulated in the early 1950's. Officials seemed convinced that if the numbers of fishermen decreased and limited entry was instituted, yields per unit would rise and the incomes of remaining fishermen would increase. However, net returns are a function of landings, fish prices, and operating expenses.¹ DFO officials recommended that present levels of effort in the inshore fishery be frozen while espousing Copes' philosophy and supporting expansion in the offshore fishery. The department's plans also revealed a belief that the fishery was, at the time, open to all; the fact that access was regulated at the local level was ignored. But according to David Alexander et al:

"Local communities were in the business of organizing and distributing fishing effort long before the offshore trawler fishery developed and... machinery for... quota allocations began. Drawing for trap berths (common throughout

¹The reader may refer back to pp. 8-11 for a discussion of these issues. Table 3.2 provides relevant statistics.

Newfoundland), and restrictions on types of gear in specific locations (e.g. Petty Harbour) are firmly established in the customary and regulatory patterns of coastal fishing communities in Newfoundland and provided models for such extension as may be necessary" (Alexander and Story: 1974, p. 18).

President M. O. Morgan of Memorial University assembled a committee, headed by David Alexander and George Story, to report on the implications of federal licensing policy. The committee warned that, although registration would serve the then much-needed purpose of compiling fisheries statistics, licensing could have several negative consequences. They feared that licensing would be used to "impose increasingly restrictive procedures and refined definitions of who should fish, what should be fished, and where and how it should be done" (p. 15). They reported that many Newfoundlanders saw the policy as an attempt to eliminate the inshore fishery and subtly encourage resettlement. The committee felt a licensing system would have one of two possible flaws:

- (1) it would be so loose and general as to miss its goals or;
- (2) it would be so arbitrary in its applications to create inequities and damage the productive capacity of the rural economy (p. 17).

As it turned out, the second possibility best describes the present system, which we shall now look at.

REGISTRATION AND LICENSING RULES AND REGULATIONS

In order to be classified as full-time, a fisherman must fish throughout the entire normal fishing in his or her area for two consecutive years. There is no income criterion and a fisherman may hold a job in the off-season without jeopardizing his or her status.² The only criteria for part-time registration are that the applicant must be 16 years of age and a Canadian citizen or landed immigrant. (These requirements must be met for a full-time registration as well.) After two years as a "part-time" fisherman, the fisherman will be able to obtain full-time status. This should happen with the completion of the local Fisheries Officer's annual inspection or after DFO has received a letter of recommendation from a local full-time fisherman. If an applicant fails to get his or her registration upgraded at this time, an appeal process is in place.

As the personal registration system is tied to the species licensing system, full-time fishermen have more options available to them than do part-timers. The former are eligible for groundfish licenses (fixed gear), as well as herring and mackerel, and theoretically, all limited entry licenses. Note, however, that DFO has created no new limited entry licenses since 1976.³ Full-time fishermen may register vessels under 35 feet; DFO has announced that there will be no more new vessels over 35 feet allowed to enter the fishery "until the financial problems of that sector are sorted out" (DFO, 1986).

²This definition differs from that of the Fishermen's Union which will be discussed later in the chapter.

³Recently full-time fishermen in some areas have been able to obtain temporary lobster and crab licenses (the latter if they own a vessel over 35 feet), although restrictions make fishing impractical; "There's 10 or 12 things you got to do before you can get your license...you got to be all fitted out and you got to go way the hell offshore. They won't let you fish in your own area. It's just something to keep the fishermen quiet."

In the words of one DFO official, the part-time fishery is "basically a small boat, handline groundfishery". Part-time fishermen can obtain groundfish licenses and, theoretically, certified fishing vessel numbers for boats up to 22 feet. Part-time fishermen cannot get access to limited entry licenses unless they held them before the personal registration system was brought in. The system poses a threat to the traditional flexibility of fishing Newfoundlanders.

LICENSING AND TRADITIONAL ECONOMIC ADAPTATIONS

The registration and licensing systems, particularly the classification of some fishermen as 'part-time', are detrimental to the continuance of traditional economic adaptations in Newfoundland and Labrador. Restrictions placed on the activities of part-time fishermen interfere with the occupational pluralism that has historically characterized the people of the outports. As discussed in Chapter 2, Newfoundlanders have traditionally relied on a variety of subsistence activities to generate monetary and non-monetary income. Twelve years ago, Alexander et al concluded that:

"The former strength of the Northeast Coast, for example, was based upon the combination of the summer fishery, woodwork in the winter, and sealing in the spring; but the professionalization of the woods labour force and the restrictions on sealing have weakened the employment and income generating capacity of the region."
(1974:preface)

Even as part of twentieth century Canada, occupational pluralism was (and is) a rational adaptation to shortages of full-time employment.

However, the new licensing systems had the obvious aim of "professionalizing" the inshore fishery and promoting occupational specialization along the lines of that which characterizes modern, industrial society. Planners assumed that occupational specialization was the logical outcome of development policy. So, depending on one's participation in the 1980 fishery, including economic dependence on fishing, time spent fishing and species fished, one was classified as either 'full' - or 'part-time' and became subject to the rules and regulations governing that classification. In practice, this meant fishermen became 'lobster fishermen' or 'herring fishermen' and, since 1985, 'fixed-gear fishermen' or 'handline fishermen'. If a fisherman was dissatisfied with his or her classification, an appeal process was available for use.

The institution of the system had several harmful effects. Although fishermen's individual participation in the fishery varied from year to year, the new registration system froze them into their 1980 fishing activities. Fishermen had always depended on the exploitation of a variety of species and could therefore withstand the inavailability of a particular species for a year or two. With licensing, they were forced to rely on only one or two species. One result of this was the economic devastation of herring fishermen when their market collapsed in the early 1980's. Opponents of the licensing system have argued that it has impeded the full utilization of resources; certainly this is the case for individual fishermen. The appeal process was not taken advantage of to the extent that DFO

expected. As fishermen interviewed said, "Some fishermen never bothered because it went against the grain." This helps to explain the substantial decrease in part-time fishermen from 1981 (the first year of registration) to 1982; that year saw a 9% decrease while the full-time classification grew by only 1%; clearly the movement is out of the fishery (see Table 3-1 below). The restrictions placed on those classified as part-time are an important factor in the decline of the 'part-time' fishery.

TABLE 3-1
Number of Registered Fishermen, Full-Time and Part-Time
With Percentage Increases/Decreases over Previous Year

<u>YEAR</u>	<u>FULL-TIME FISHERMEN</u>	<u>PART-TIME FISHERMEN</u>	<u>TOTAL</u>
1981	13,4375	15,212	28,587
1982	13,571 (+1%)	13,808 (-9%)	27,379
1983	13,504	14,579 (+6%)	28,074
1984	13,456	14,161 (-3%)	27,617
1985	13,275 (-1%)	11,611 (-18%)	24,886

Compiled from information provided by Fisheries Statistics and Systems Branch DFO, St. John's, 1986.

Of the 3701 people who have left the inshore fishery since 1981, 3601 or 97% were classified as part-time. These figures give legitimacy to the widespread claim that the purpose of licensing is to reduce the numbers of

inshore fishermen, although DFO says this is not so. Whatever the purpose, reductions in labour and fishing effort are certainly the effect. As the university's committee on licensing warned, reductions in the numbers of part-time fishermen would occur and would result in a decline in total rural income and an undermining of other components of the rural economy. Table 3.2 shows that the incomes of remaining fishermen have not increased with declining numbers of fishermen. In 1984, DFO observed that; "The analyses...indicate that the economic viability of the inshore and nearshore groundfish enterprises...has not improved since 1981 while, through fleet reductions, employment has been diminished." (DFO, "Economic Assessment": 1984, p. 20).

It must be emphasized that classifying fishermen as part-or full-time in the Newfoundland setting is even more complex than planners envisioned. Even those who fished for only part of the season called

Table 3-2
1984 Survey of Atlantic Fishermen (Newfoundland)
Fishing Income Summary (\$)

	Full-Time Fishermen		Part-Time Fishermen		All Respondents	
	1981	1984	1981	1984	1981	1984
Gross Fishing	12,299	11,480	2,983	3,263	8,173	8,463
Net Fishing	6,679	6,820	2,439	2,573	4,803	5,266
Fishermen's U. I.	2,167	3,422	1,306	1,353	2,033	2,658
Income from other sources	1,810	1,567	7,172	3,988	3,933	2,474
Total Income	10,656	11,809	10,917	7,914	10,769	10,398

Compiled from preliminary data, 1984 Survey of Atlantic Fishermen, DFO, 1985

themselves 'fishermen' for reasons of self-esteem; going to sea is part of the traditional initiation into adulthood for Newfoundland men. The inshore fishery is the pivotal point of the historical pluralistic adaptations in Newfoundland and Labrador.

ENTRANCE INTO THE INSHORE FISHERY

The registration and licensing systems pose a threat to the very future of Newfoundland's inshore fishery. This threat emanates from policy and regulations that make entrance into the industry extremely difficult and making a living even more arduous.

Ottar Brox, David Alexander and others pointed out that a licensing system would be in opposition to the egalitarian practices (among men and among women but not between them) that characterize social and economic life in Newfoundland. As has been alluded to, licensing, and the seemingly arbitrary manner in which it is carried out, has resulted in inequalities in fishing communities and subsequent social strain (Sinclair, 1985). Fishermen articulate this as, "It's not fair when I got no money in my pockets and I got to watch another fellow go get salmon and crab".

The disparities between young people and older generations are even deeper. Throughout Newfoundland's history retired fishermen would give one son the boat, another, the trap and so on, so that each son would have an equal chance of developing into a self-sufficient fisherman (Paris, 1972).

The licensing regulations of today do not recognize the family relationship. According to one DFO official, the fishery is "an industry... the only place we recognize families is in the salmon fishery and we are changing that now".⁴ So personal registrations and licenses may not be passed from father to son, or increasingly, daughter; nor may certified fishing vessel numbers or fishing gear be passed on. The only license that may be bought or sold between fishermen is the lobster license and this is not in recognition of the family relationship. There are no special rights or provisions for children of fishermen.

Fishermen report that fewer young people are entering the inshore fishery. Part of this can be attributed to the rise of post-secondary institutions and the growth of different expectations. However, it is widely felt that more young people would become fishermen if rules and regulations were not so stringent. In the past an informal system of apprenticeship existed; fathers trained their sons who worked as half-sharemen or, later, sharemen (Faris, 1972). DFO is presently using the part-time classification as a form of apprenticeship; all new entrants to the fishery are issued part-time licenses and cannot get their licenses upgraded for two years; in practice, this is sometimes three or even five years. This means that they are eligible only for groundfish licenses and not for licenses to harvest crab, lobster or other lucrative species. These young fishermen are no longer allowed to use the efficient cod trap either, even as part of a team; since 1985, part-time fishermen may use only the more primitive handline gear. In practice, obtaining a certified

⁴At present, the salmon licenses of all part-timers have been revoked and those of full-timers are being revoked. The DFO official I spoke to would not say why.

fishing vessel number, even for a small boat, is difficult, if not impossible. These restrictions result in small returns which are detrimental to building up gear and starting one's own fishing operation. Many young fishermen are coping with this situation by dropping out of the fishery or "living off" their father's licenses.⁵ However, in some years especially, fishermen find it difficult to make a living for themselves, let alone their grown children, using one set of licenses.

Although it is not the stated purpose of the programs, the registration and licensing systems are resulting in declining numbers of fishermen and reductions in fishing effort. These effects are desired by DFO; behind the goal of attrition is the mistaken but entrenched belief that there are too many fishermen chasing too few fish and the conviction that the fishery must be industrialized. Perhaps attrition would be more tolerable if it resulted in alternate employment and higher standards of living for those left in and forced out of the fishery. However, few other job opportunities exist in Newfoundland and it has been shown that the incomes of remaining fishermen have not risen. As well, there is the argument that the young people have a right to fish off Newfoundland waters. Said one small boat fisherman, "How can you say you can't be a fisherman? My God, this is how we grew up. This is our culture, our heritage." This heritage is at stake if the plethora of licensing regulations is not removed or substantially modified. The recent experiences of several longliner fishermen epitomize fishermen's troubles with DFO's regulations.

⁵Unemployment insurance rules and regulations are also responsible for people dropping out of the fishery. See Chapter 4.

GOVERNMENT REGULATIONS AS DETRIMENTAL TO DEVELOPMENT:

THE CASE OF THE PORT DE GRAVE LONGLINER FISHERMEN

There have been particularly in the last couple of decades, attempts on the part of fishermen to improve the technology they employ and thereby enhance fisheries development. In too many cases, these efforts have been impeded by government rules and regulations; the case of the Port de Grave fishermen is one example of this.

The Department of Fisheries and Oceans used a system of global allocations to regulate catches in the inshore harvesting sector in Newfoundland and Labrador; boat quotas and crew quotas are not used.⁶ According to DFO officials, the exact allocations depend on the size of the resource, the historical requirement of that particular sector and the results of consultations with fishermen and the Fishermen's Union.

Until the recent decline of crab stocks in Conception Bay, Port de Grave longliner fishermen were engaged in a lucrative crab fishery. In 1985, the failure of the crab fishery led five Port de Grave skippers to venture between 170 and 200 miles offshore to the southeast corner of the Grand Banks to fish halibut. Besides the halibut, the fishermen also caught beautiful, large "steak cod"; "The cod out there is something. Steak cod! The fellows who were splitting them cod had to break their back bones with an axe! (A hammer would do on a normal size fish.) They was some size!"

⁶The exception to this is the inshore dragger fleet which fishes off the West Coast of Nfld. and off Labrador and is regulated by a system of enterprise allocations.

DFO responded to the venture ruling that the fishermen could fish halibut but only 10% of their catch could be cod. A fisherman explained the predicament this put the longliner fleet in:

"The thing is, the cod is above the halibut and the cod grabs the bait first. When you catch a cod he fills up with air and he bubbles. If he does that out there, you can keep him. But if he swims you got to let him go. That's the rules. It's rules like that that make us angry."

The fishermen were told that there is no cod allocation in 3NO (the area they were fishing) for their class of vessels, only for the deepsea trawlers.

A DFO official explained to me that the Port de Grave fishermen will not be allowed to fish in 3NO at all in 1986; their halibut allocation has been discontinued. Said the official, "The halibut was an excuse (to fish cod) so what do you do if something is an excuse...you removed it." ⁷ He said allocations for 3NO are made by the Northwest Atlantic Fisheries Organization (NAFO), of which Canada is one of 18 members. However, Canada has succeeded in getting foreign allocations reduced and allocations for her own offshore vessels increased. Furthermore, says DFO, the Port de Grave fishermen have no history of fishing in the area (although other Newfoundlanders do) so their application will not be considered until stocks increase. This example suggests that the regulatory role of DFO has become paramount and can actually stifle a natural evolutionary development of the inshore fishery. Although the growth of the longliner fleet was initially spurred on partly by government and assisted by state policies, this is no

⁷Personal communication, January, 1986.

longer the case. The evolution of the Port de Grave longliner fleet may be compared to the evolution of the Grand Bank schooner fishery.

Incidents like this result in anger and feelings of alienation from government in fishing communities. One longliner skipper stated, "They made a big move to go out there; 170, 180, 200 miles. The government should be patting them on the back and helping them. But here they are driving them out of it."

The experience of an ailing crab fishery resulted in fishermen seeking and finding alternative ways of making their living through fishing. However, government regulations proved to be detrimental to development in the fishing industry. Situations like this one point to government's need to continually assess the impacts of policy and to re-examine the purpose and functions of policy and of government itself.

THE ROLE OF THE FISHERMEN'S UNION IN PROFESSIONALIZING THE FISHERMEN

The "Fishermen's Union" grew out of an amalgamation of the Canadian Food and Allied Workers' Union and the Northern Fishermen's Union of Port au Choix, Newfoundland (Sinclair: 1985, p. 127). The founding convention took place in April, 1971, and the union officially became the Newfoundland Fishermen, Food and Allied Workers' Union (NFFAWU) with St. John's lawyer Richard Cashin as president (a position he still holds today.) (p. 130). In 1985, the union changed its name to Local 1252 of the United Food and Commercial Workers' Union. (Information package, UFCW, Local 1252:1986).

Today the Fishermen's Union (as it is commonly called), represents full-time inshore fishermen, deepsea trawlermen and fish plant workers throughout Newfoundland and Labrador. In 1984, there were approximately 15,000 union members, about 10,950 of whom were fishermen. (Union lists, 1985). About 40% of all inshore fishermen, were union members in 1984.⁸

In a book aptly titled, MORE THAN JUST A UNION, anthropologist Gordon Inglis called the Fishermen's Union "an organization of protest in a time of social ferment" (Inglis: 1985: p. 293). He viewed the development of the union as:

"...a collective response to the personal experience of tradespeople whose status, skills and bounds of community were being reduced and destroyed by the process of industrialization."
(p. 299)

Since its inception, the most visible activity of the union has been its involvement in fish price negotiations. It can be said that, generally, fish prices have not decreased, in nominal terms at least, since the formation of the union; they rose considerably in the 1970's but the past five or six years have seen a stagnation in prices.

The Fishermen's Union also played an important role in the institution of DFO's licensing policy. According to DFO officials, the personal registration system, in particular, was, at least partly, a result

⁸There were 13,456 full-time fishermen in 1984, and 14,161 part-timers, for a total of 27,617 fishermen.

of the union's wish to "professionalize" the fishermen of Newfoundland and prioritize the needs of 'bonafide' fishermen. The union introduced the concepts of 'bonafide' and 'non-bonafide' fishermen to distinguish between those who depended on the fishery for a living and those who are not committed to the fishery in the same sense and use it to supplement their income (i.e. "moonlighters"). In accordance with this goal, those fishermen with full-time jobs, such as teaching, are not eligible for membership in the Fishermen's Union.⁹ Analysis of Table 3.1, however, shows that the incidence of "moonlighters", fishermen with regular jobs elsewhere, is very low; in 1981, part-time fishermen earned an average of only \$7,172 outside the fishery while in 1984 they earned only \$3,988 elsewhere. 'Part-time' fishermen depended on the fishery for 35% of their total income in 1981, and for 50% in 1984; the increase reflects dwindling employment prospects in Newfoundland and mainland Canada. Even full-time fishermen earned income from sources other than the fishery; the average was \$1,810 in 1981 and \$1,567 three years later.

The Fishermen's Union recognizes that the number of "moonlighters" is small and that both full-time and part-time fishermen depend on the fishery for a substantial portion of their income. Also unlike DFO, union officials recognize that 'full-time' and 'part-time' do not equal 'bonafide' and 'non-bonafide' respectively. In accordance with this, those fishermen who are classified by DFO as part-time are eligible for union membership and are not denied any rights or privileges. As long

⁹A union by-law states that "Persons with full-time employment who takes part in the fishery shall not be eligible for membership". This by-law in itself, should keep "moonlighters" out of the union.

participate in the fishery throughout the entire fishing season and holds no full-time job; he or she may join the union. Said one union official:

"Each case has to be look at individually. There are all kinds of circumstances depending on the region and so on. If a fellow wants to do some work in the winter, if he can get it, rather than collect U. I. that's all right with us."¹⁰

The Fishermen's Union then, acknowledges the traditional occupational pluralism of Newfoundland householders.

However, in many fishing communities, there is confusion about union membership criteria and there is a fairly widespread belief that 'part-time' fishermen are not eligible to join. By attacking this confusion, the organization could possibly increase its membership.

Like many other unions in North America, the Newfoundland Fishermen's Union aims to represent a professional, specialized work force. However, unlike most other North American unions, this union represents a largely non-industrialized labour force and one which relies on a variety of economic activities to make a living.¹¹ In the future, the Fishermen's Union should continue to consider its unique labour force in formulating policy and programs.

¹⁰U.F.C.W. Union (Local 1252, 1986).

¹¹The exceptions to this are the offshore trawlermen who are part of a modern, industrial, year-round fishery, and the fish plant workers who are employed by the offshore-fed plants that operate year round.

CONCLUSION

Classifying fishermen as part-time or full-time, bonafide or non-bonafide is, at best, problematic in the Newfoundland setting. We have seen that the rationale behind the implementation of such classifications is the logic of a modern, urban industrial economic system. When applied to Newfoundland fishing communities, it results in worklessness, especially for youth, declining rural incomes and schisms in a traditionally egalitarian society. As an optimistic concluding note we quote a recent DFO publication which discusses the economic problems of inshore fishermen:

"If existing fisheries policy in any way, shape or form is responsible for this state of affairs then there is an urgent need for fisheries managers to ~~reconsider the tools~~ currently in use for the management of the inshore and nearshore fisheries in the Newfoundland region." (DFO, 1984, p. 20)

CHAPTER 4

"BETWEEN A ROCK AND A HARD PLACE":
FISHERMEN AND THE UNEMPLOYMENT SYSTEM

"You can't post a letter with the stamps I got."

Small Boat Fisherman

White Bay

THE DEVELOPMENT OF THE UNEMPLOYMENT INSURANCE

SCHEME FOR FISHERMEN

The unemployment insurance system was instituted in Canada in 1941 after the experience of the Great Depression made clear the need for some sort of social and economic safety net. Newfoundlanders became participants in the system when they became a province of Canada in 1949.¹ The purpose of unemployment insurance was (and is) to alleviate the economic hardship that joblessness brings for a specified period of time. The system provides income for people who have lost or left their jobs. The unemployment insurance system was designed for an urban industrial work force; it is an appropriate insurance scheme for workers who are between jobs.

When Newfoundland fishermen saw other Newfoundlanders collecting unemployment insurance and protecting themselves from the economic uncertainties that had plagued them for so long, they, too, lobbied for benefits. As 'self-employed' persons, however, fishermen were not eligible to participate in the scheme. Finally, in 1957, their lobbying led to the establishment of a special unemployment insurance system for fishermen.

In Newfoundland fishing communities and elsewhere in the province, unemployment insurance functions not as an insurance system but as an income support system. Because there are so few alternate economic opportunities available in Newfoundland, unemployment insurance serves as an important economic stabilizer and is, in fact, embedded into family and community economies. Since much of one's cheque is spent immediately, the multiplier effects of these

benefits spread to local and regional service centers and, ultimately, to central Canadian manufacturers who produce most of what Newfoundlanders consume. Said Brox, u.i. is "...at least as much a subsidization of raw material for urban-based commerce and industry as it is a handout for fishermen (and others)." (1972 p. 26) Unemployment insurance benefits allow fishermen to gear up in winter, and, hence, continue fishing for a living.² In this sense, it helps indirectly, to maintain employment levels in Newfoundland; "The fishery generates a lot of money and jobs. We all pay taxes; the fisherman, the plant worker, the trucker, the person who puts it on the supermarket shelves. When the fishery is bad the whole economy is bad." Brox considered that unemployment insurance serves to keep fish prices down; he suggested that benefits might even be the cause of low landing prices. Income from fishing is supplemented with unemployment insurance payments which, if withdrawn, would reduce the economic returns from fishing. Said Brox, "He (the fisherman) does not press the issue of fish prices, even if he does suffer losses in his role as a fisherman (compared with his Northern European counterpart), provided that he is compensated in his role as a householder (through u.i.)." (p. 23) This can create the impression that fishermen are concerned only with "fishing for u.i." and fully exploiting federal subsidies.

As has already been seen, the unemployment insurance system is not, in Newfoundland, serving the purpose its architects envisioned. Its inappropriateness will be discussed further in subsequent sections in this chapter.

²U.I. benefits have increased in importance for Northeast Coast and Labrador fishermen with the end of the commercial seal hunt.

UNEMPLOYMENT INSURANCE REGULATIONS

Under the regulations governing the regular unemployment insurance program, workers are required to work ten weeks (a "week" being defined as having worked more than fifteen hours or earned more than \$92.00, whichever comes first) in order to qualify for u.i. benefits.³ If a person has not collected benefits in the last two years, he or she must work at least twenty (20) weeks to qualify; this means all new recipients must accumulate twenty (20) weeks. (In Newfoundland, the term "stamp" is used as a substitute for "week", as defined by Unemployment Insurance Legislation.) In the context of a Newfoundland fishing community, it often takes longer than ten actual weeks to accumulate ten stamps or ten qualifying weeks. In some working weeks, a fish plant worker might get only eleven hours of work and hence, no stamp. During a bad fishing year, plant workers will say, "It took me four months to get my (ten) stamps", or "I was all summer getting my stamps".⁴ There is a two week waiting period between the time the worker files for u.i. and the time he or she becomes eligible to receive payments. In high unemployment regions, such as Newfoundland, benefits can be collected for a maximum of fifty weeks.

Most of the rules that govern regular recipients also apply to fishermen. But there are some important differences. Inshore fishermen are able to collect benefits from the second Monday in November to the second

³A complete description of the complex u.i. rules and regulations is beyond the scope of this study.

⁴Plant workers employment is, of course, directly dependent on the landings brought into the fish plant; hence, the irregularity in employment. The unemployment insurance scheme is problematic for plant workers, as well as fishermen. Newfoundland's Royal Commission on Employment and Unemployment has recommended a guaranteed income supplement for all workers, particularly seasonal workers.

Monday in May (the exact dates change every year).⁵ Unlike regular recipients, fishermen's stamps are based solely on landings; even if a fisherman works 40 hours weekly (and the average during the fishing season is a lot longer), he or she cannot obtain a stamp unless he or she has earned over \$92.00. In the case of most workers, 100% of the earnings are insurable and payments are based on 60% of total weekly earnings. In the case of fishermen, including partners and sharemen, only 75% of earnings are insurable; 25% of revenues to cover estimated boat and gear expenses is deducted so only 75% of the value of gross landings is deemed to be insurable. This means that a fisherman's u.i. benefits are calculated on the basis of 60% of 75% of his or her earnings.

If a fisherman has 15 or more stamps, the ten best may be used to calculate u.i. benefits. If a fisherman has 14 stamps or less, the last ten are used. It is difficult to combine fishing stamps with stamps gained through other work; only six fishing stamps may be counted toward the total of ten and if a fisherman has less than six, no fishing stamps may be used.

ECONOMIC IMPORTANCE OF UNEMPLOYMENT INSURANCE TO FISHERMEN

As explained in Chapter 1, the earnings of most inshore fishermen are very low. According to Statistics Canada, the official poverty level for a rural family of four is \$14,106. Although the measure is not entirely appropriate to Newfoundland and Labrador, it does provide some indication of

⁵The exception is the fishermen of the Southwest Coast who participate in a winter fishery and collect u.i. from May to November.

how low fishermen's earnings are. Unemployment Insurance is a necessary supplement to money gained through fishing operations. Unemployment Insurance helps fishermen to provide the basic necessities for their families; it provides cash to buy materials for basic house repairs and other unpaid work; and it allows fishermen to gear up for the next fishing season. Unemployment benefits pay for the replacement and repair of gear that has been lost or damaged. Unemployment Insurance payments are also used to pay for bank loans and vessel insurance. Most inshore fishermen say unemployment insurance is an economic necessity for them; without it, they would not be able to stay in the fishery or provide for their families. With the demise of the commercial seal hunt, unemployment insurance has become even more important for Northeast Coast and Labrador fishermen.

For small boat and longliner fishermen, unemployment insurance benefits are collected for approximately six months of the year and are the only stable source of income they have during the winter. Based on the earnings of the inshore fishermen interviewed, it can be estimated that in 1984 unemployment insurance payments constituted between 35% and 55% of fishermen's income. The proportion is particularly high in 1985 because of the disastrous fishing season that most fishermen experienced. The percentage of total income that unemployment insurance constitutes varies considerably from region to region, from year to year, and for the different categories of inshore fishermen. The percentage for longliner fishermen is usually lower than it is for small boat fishermen. For example, a southwest coast fisherman who has a relatively long fishing season might get only 10%

of his or her income from unemployment insurance. In a bad fishing year, such as 1985, the percentage will increase. One northeast coast fisherman who earned \$800 per week in a 12 week fishing season for a total of \$9,600 will collect \$6,000 in benefits during the six month period. Benefits constitute 38% of this fisherman's income. Another fisherman earned \$200 a week during a 12 week season, for a total of \$2,400. His unemployment insurance payments will equal \$2,160 almost half of his income. Even in the case of fishermen for whom benefits constitute only 10% or 15 of total income, unemployment insurance serves as an important stabilizer. It is easy to see why accumulating stamps, especially high stamps is uppermost in many fishermen's minds.

THE UNEMPLOYMENT INSURANCE SYSTEM

AS INAPPROPRIATE TO NEWFOUNDLAND FISHING COMMUNITIES

While the unemployment insurance system was established mainly to provide a mechanism to tide people over until they found a new job, it does not serve that function in Newfoundland and Labrador. The system, even the regular system, is not working as its architects envisioned because, in many ways, it is inappropriate to the weak local labour markets that characterize rural Newfoundland. For example, while a recipient is "between jobs" he or she must "actively look for work", and may be required to provide evidence of job search. Inshore fishermen are not normally put on job search, but other members of their households, including plant workers, are. In most Newfoundland fishing communities, however, there are few, if

any, job openings in the winter months. The Economic Council of Canada found that, in 1980, 41.6% of the unemployed in Newfoundland had only potential employer; a further 33.2% had between two and six possible employers.⁶ Hence, three quarters of the province's unemployed had less than seven potential employers. This weak labour market means the concept of job search is all but irrelevant in the Newfoundland setting.

The job search rule in this context often means that there is a disincentive to carry out paid or unpaid work. Fishermen are allowed to repair gear while collecting benefits but they are not permitted to build gear or a vessel. Any fisherman who is engaged in building gear is considered self-employed, according to u.i. rules, and his or her benefits can be cut off. Fishermen collecting benefits are allowed to cut wood only for their own use; on occasion, they may be required by the local Canada Employment Centre to prove they do not intend to sell their wood.⁷ If a fisherman using u.i. is provided with any sort of economic opportunity, the returns of which exceed 25% of benefits⁸ during the off-season, he or she cannot take advantage of it without losing some or all of the bi-weekly insurance payment. There is also a disincentive to continue fishing after

⁶Cited in THE MEANING OF WORK AND THE REALITY OF UNEMPLOYMENT IN THE NEWFOUNDLAND CONTEXT, Robert H. Hill, Principal Author, the Community Services Council, Nfld., February, 1983.

⁷While carrying out interviews, I encountered fishermen who lost their u.i. benefits because of this; one could not prove wood cut was for his own use and others were caught selling wood. There are no relevant statistics but such situations occur fairly regularly.

⁸This includes taking in boarders; even members of the extended family are considered boarders if they are engaged in paid labour.

ten stamps have been obtained, particularly if it looks as though it will be impossible to accumulate 15 stamps (the ten best of which will be counted toward the qualification for insurance benefits). With less than 15 stamps, the last ten are counted and, because fishermen fear smaller catches and resultant lower stamps late in the season, some will not continue fishing after the tenth stamp; this is a rational adaptation to inappropriate regulation. This occurs with longer fishing season. In some cases, fish plant owners experience difficulty in getting fishermen to fish after the tenth stamp. The problem of raw materials has an adverse effect on business and, hence, the local and larger economies.

FISHERMEN'S UNEMPLOYMENT INSURANCE AND MAKING A LIVING

For most fishing families, u.i. is the only stable source of income they have during the off-season and it allows fishermen to gear up for the next fishing season. Increasing expenses and the chronically low incomes of fishermen mean some sort of income support system is necessary. For fishermen in many areas of Newfoundland, however, unemployment insurance start-up and cut-off dates, in May and November, "don't make sense". In many parts of the province the fishing season does not extend until November, because of inclement weather; fishermen often have to do without income for a couple of months as the first u.i. payment usually arrives in December. In the northern parts of the island and Labrador, fishing is often impossible, due to inshore ice, until June or even July. Said one fisherman; "We call it 'living on the dead'." In recent ice-ridden years unemployment insurance payments have been extended by government in ad hoc and arbitrary fashion beyond the middle of May.

In years like 1985, when the fish fail to come inshore, fishermen can work long hours but, if they yield a small catch (worth less than \$92.00) they cannot receive a stamp. In 1985, some inshore fishermen reported that, after three or four months of fishing, they were "on the tenth stamp"; others had "scraped up seven or eight" by the last part of the fishing season.

There is also the problem of "low stamps" or "small stamps". For most fishing weeks during 1985 many fishermen were able to catch just enough fish to qualify for a stamp; such a stamp is considered "low" or "small" and results in reduced unemployment insurance payments over the winter. A Labrador fisherman expressed his grievance as follows:

"In a poor year, benefits are low. We call them 'low stamps'. We try our best in a poor year and we have to try and support our families through the winter on the little bit of unemployment we gets. Our cheques are smaller and we have a long winter."

Years like 1985 force inshore fishermen to beg for special make-work projects so they can qualify for unemployment insurance benefits. This results in damage to individual pride as fishermen are forced to take part in soul-breaking, meaningless, often-redundant projects. Another consequence is negative public perceptions of fishermen and social divisions in fishing communities as scarce resources (short-term jobs or make-work projects) are allocated to some fishermen and not others. The other choice, in a year like 1985, is to face debilitating poverty.

UNEMPLOYMENT INSURANCE AND ENTRANCE INTO THE INSHORE FISHERY

As explained previously in⁹ this dissertation, young people are not entering the inshore fishery in high numbers anymore. Although no statistics are available, it seems that only a small proportion of those who "take a crack" at fishing stay in the industry. This might be considered unusual in the face of a dearth of alternative employment possibilities and Newfoundland long standing tradition of fishing. Part of the answers lies in the consequences of the licensing system, as explained above, and another important part of it is unemployment insurance rules and regulations.

These rules require new entrants to the labour force, including the inshore fishery of Newfoundland and Labrador, to obtain twenty stamps (instead of the usual ten) to qualify for unemployment insurance benefits. Certainly in years like 1985, accumulating even ten stamps constitutes a problem; twenty is all too often, an impossibility, particularly as new entrants are classified as 'part-time' fishermen and restricted to the handline groundfishery. This is especially true if a new entrant is participating as a shareman. Said a Northern Labrador fisherman, "The young fellows getting into the fishery today haven't got a chance! There's no way they can get twenty stamps." Sadly, one of the young fisherman I spoke with failed to obtain even one stamp during the 1985 fishing season; the most he made in a week was only \$70.00 which is not enough for a stamp. Like many other young fishermen, he had no income during the winter of 1985-86 and was supported by his family. Because of the twenty stamp requirement, and the

⁹See pp. 8-10, Chapter 3.

difficulty in combining fishing stamps with other stamps, this situation is quite common even in good fishing years. Although young people can help their families as participants in subsistence activities, they are not bringing any monetary income into the household as was possible before the implementation of inflexible licensing and u.i. regulations.

MISUSE OF THE UNEMPLOYMENT INSURANCE SYSTEM

While unemployment insurance is an essential income support system for most inshore fishermen and their families, the system is, nevertheless, abused. This abuse results partly from inappropriate and complex rules and regulations and subsequent confusion among fishermen. A fisherman's wife, referring to both the unemployment insurance and licensing systems, stated:

"Government rules and regulations are making criminals out of us hard-working fishermen. Rules are so stringent that no self-respecting fisherman can even hope to abide by them. In fact, there is so many regulations now that a fisherman is not aware of them before he has been caught breaking one... fishermen are more confused than deliberate law breakers."

The ambiguity of u.i. rules leads to situations like the one in which several Southwest Coast fishermen had to return between \$3,000 and \$4,000 each, after it had been spent. *Reference 3*

More fundamentally, the unemployment insurance system offers an inviting economic opportunity, one of few in many fishing communities. One fairly widespread misuse of the system is the practice of skippers putting unemployed people on the payroll, although they are not involved with the operation. Some skippers sell their catch in several people's names, some

of whom are not fishing at all, and then take the cheque for themselves and/or their actual crew members. People in whose name part of the catch was sold do not earn any money but they receive stamps which help them qualify for unemployment insurance benefits during the winter. Another misuse of the system necessitates the co-operation of fish buyers. This is the practice of paying the fishermen the usual price for their catch but recording a larger amount so the fishermen will get higher stamps. This sort of exploitation of unemployment insurance represents an erosion of traditional self-sufficiency in Newfoundland fishing communities. It is also an indicator of the lack of alternative employment and cash-generating opportunities in the fishery and elsewhere in Newfoundland.

CONCLUSION

The unemployment insurance system, even with its modifications for fishermen, is not tailored to meet the social and economic needs of fishermen. People in fishing communities feel alienated from government and discriminated against in government programs. At the same time, in the face of rising expenses associated with fishing and stagnant fish prices, fishermen are dependent on u.i. payments as their only stable income in the off-season. Indeed, unemployment insurance allows fishermen to remain in the industry; the exception is young people or new entrants for whom it is an obstacle. It must be emphasized that entire communities, including large service centers, depend indirectly on u.i. payments as well.

What is needed is an income support system designed especially for Newfoundland and Labrador fishermen. The Government of Newfoundland's Royal Commission on Employment and Unemployment has recently outlined such a program (House et al, 1986). The Commission called for the elimination of unemployment insurance for fishermen and recommended instead, an income supplementation system that would guarantee a certain off-season income that would increase in proportion to landings. This system or another that is appropriate to Newfoundland fishing communities would remove the disincentives to engage in subsistence activities and to fish in the fall, and hence, the need and opportunity to abuse the system. At the very least, the unemployment insurance system should be altered to respect the traditional economic adaptations of Newfoundlanders; this would decrease the occurrence of the problems outlined and it would offer fishermen more economic choices and chances of a decent living. The other alternative is a further erosion of self-sufficiency and a deepening of the dependency syndrome in Newfoundland and Labrador.

CHAPTER 5

"THERE'S NO PLACE LIKE HERE":
THE NEED FOR MADE-FOR-NEWFOUNDLAND FISHERIES
AND EMPLOYMENT POLICY

"This year it's very bad. I seen happier faces on turrs¹ on the Funks²...it's some sad when you're fishing just to get your stamps, isn't it? That's a sad commentary. But as long as it gets no worse I'll stay in (the fishery). It's a hard life and everyone gets nipped. But I'm a fisherman."

29 year old Small Boat Fisherman
Bonavista Bay

¹Turrs are seabirds.

²The speaker is referring to the Funk Island Banks (fishing grounds on the Northeast Coast of the island).

A BRIEF DISCUSSION OF TRADITIONAL ECONOMIC
ADAPTATIONS AND NEWFOUNDLAND'S ECONOMIC HISTORY

For four hundred years the coastal people of Newfoundland and Labrador depended on a variety of subsistence activities to make their living. These included fishing, hunting, small-scale farming and other forms of household production depending on the season. As Ottar Brox has pointed out, the main role of outport adults was that of 'householder'. However, outport Newfoundlanders identified themselves as 'fishermen' and the Newfoundland culture itself was shaped by the inspiration of the sea and its resources; this is evident in the speech, arts, literature and outlook of the Newfoundland people.¹

As shown in Chapter 2, the outport household economy proved itself resilient despite confederation with Canada and the resettlement programs of the decades following 1949. Indeed the Newfoundland fishery itself had gone through massive changes throughout its long history; most prominent among them were the growth of various species fisheries (such as lobster and salmon) in the 19th century, the development and demise of the Grand Banks and Labrador schooner fisheries, and, in the post-confederation period, the decay of the salt fish trade, the development of the deepsea fishery, the demise of the commercial seal hunt and the 1977 establishment of Canada's 200 mile economic zone. All of these issues are beyond the scope of the present study but the point is that Newfoundlanders communities continue to depend on the fishery as their economic mainstay.

¹See, for example, The Dictionary of Newfoundland English (Story et al, 1982), the works of writers Ray Guy, Cassie Brown, Harold Horwood and painters Christopher Pratt, David Blackwood and others.

Today those Newfoundlanders who rely on the inshore fishery for their livelihood are faced with another crisis, this time emanating from the federal government, and particularly, its fisheries policies and unemployment insurance programs. The ability of Newfoundlanders to cope with the social and economic consequences of these policies is impeded by a grave lack of job opportunities in the province and in mainland Canada.² Prior to this decade, out-migration was a viable option for Newfoundlanders (primarily males); the Alberta oil and the Ontario manufacturing industries needed labour.³ Many Newfoundlanders settled on the mainland while others migrated only temporarily or seasonally and continued to make their homes in the province. Going back beyond the 1970's, Newfoundland itself offered its people greater opportunities for wage work; large-scale industrial projects in Labrador City, Wabush, and Churchill Falls, and the modernization of Newfoundland's physical infrastructure provided people (mostly males) with employment. For reasons beyond the scope of the present study, most of the attempts at industrialization failed and the construction of infrastructure on a grand scale ended. Through all this the outport household economy survived and, especially with the 1980's recession, it became more important economically; "The do-it-yourself fashion that has recently hit urban yuppies has long been a way of life in rural Newfoundland". (House et al: 1986, Royal Commission Background Report, draft). However, cash remains a necessity; to pay light and phone bills and buy the basic materials for

²The official unemployment rate in Newfoundland in 1986 hovers around 20% while for Canada as a whole it is just under 10%. (Statistics Canada, 1986).

³In 1981, 14% of the population of Fort McMurray, Alberta, was from Newfoundland, for example.

house repairs, for example. This means that, in the face of extremely limited opportunities for wage work (in much of rural Newfoundland this is confined to government make-work projects), the importance of unemployment insurance has escalated; benefits have become entrenched in family and community economies, in fact. For outport Newfoundlanders, combining unemployment insurance payments with fishing and some wage work and subsistence activities is merely another rational economic adaptation in a long line of such pluralistic adaptations.⁴

THE FAILURE OF FEDERAL POLICIES IN NEWFOUNDLAND

As shown in previous chapters, licensing and unemployment insurance policies and programs have not served their purpose in Newfoundland; to improve the economic well-being of fishermen in the province. As Ralph Matthews wrote of regional planning, "Most policies were sincere attempts to improve regional economic conditions but...those policies, have done little to alter regional economic patterns but have endangered and altered social and cultural patterns within and even among regions" (1983: p. 220). Matthews sees this situation as a Habermasian 'legitimation crisis', the result of a political system's failure to accomplish its economic goals. In an empirical sense, planners undergo an 'identity crisis' while the people who are the targets of policy and programs resist government attempts more and more. Several of the fishermen I interviewed condemned vessel subsidy

⁴UI does not carry a stigma (unlike social assistance) in Newfoundland as it does in urban, industrial regions. (See Hill, Wadel and others.)

programs and make-work projects, for example, and related government bureaucratic procedures; "I'd never bother with any of that stuff".. Such procedure is alien to rural Newfoundlanders and, rather than attempt to cope with it, there is a tendency, especially in more isolated outports to rely, instead, on traditional economic activities to provide the basics in life.

Currently, fisheries regulation is marked by ad hoc decision-making. The problems outlined in previous chapter illustrate the need for regional, in this case, made-for-Newfoundland, policy. Writing in 1983, he called regional planning "...little more than federal responses to requests for various types of assistance from the provincial governments, with little effort being made to plan coherently for social and economic development". (IBID.) Government decisions may also be a response to interest groups, such as the Fishermen's Union, or even fishermen in an unofficial capacity; an obvious example of this is the 1985 'emergency' make-work projects for fishermen and fish plant workers who were unable to qualify for unemployment insurance benefits.

Here the lack of coherent and appropriate (i.e. regional) planning and policy for the inshore fishery of Newfoundland and Labrador is seen as a function of the state acting in the interests of capital, that is, the giant deepsea companies (National Sea and Fishery Products International). The inshore fishery and its problems are ignored by the state or dealt with through inappropriate programs and when absolutely necessary, workers are appeased through short-term measures.

At the same time, as the Poushinskeys (1978) pointed out eight years ago, the state is furthering the consolidation of monopoly capital; it does this by granting F.P.I. and National Sea virtual jurisdiction of the lucrative Northern Cod stocks and injected large funds into these companies, as we saw in Chapter 1. My interviews with inshore fishermen revealed an understanding and resentment of this situation; one fisherman's statement summed up the feelings of many, "They should stop putting money into the offshore. Between them and the foreigners...we'll be starved to death. We won't even get a sculpin." Although it is doubtful if inshore fishermen (who, after all, fish mostly different stocks than the deepsea trawlers) will "starve to death" this fisherman's statement represents a widespread view that the inshore fishery is neglected by government, unlike the offshore sector.⁵ Permeating far too many of the interviews were feelings of despondency and alienation from government.

As we have seen, government policy has worked for the industrialized deepsea fish companies. What is needed now, is support for the inshore sector, and the people who depend on it for much of their livelihood, in the form of appropriate methods of stock conservation (which is one of the goals of licensing) and adequate and suitable (i.e. flexible) income support systems.

⁵The offshore companies employ large numbers of people (National Sea, about 3000, and F.P.I., 10,000) and buy from thousands of fishermen. Dozens of communities depend on the large deepsea companies. Government support of F.P.I. and National Sea, in the form of generous allocations and injections of state capital, has resulted in relative success for these companies. National Sea returned profits in 1985 and F.P.I. expects to do so in 1986. Today these companies are year-round, industrialized, capital-intensive corporations.

A VIEW TO MORE AFFORDABLE PROGRAMS

As Matthews asserts, the aim of regional policy should be "...to achieve as much economic and social equality as possible without undermining current cultural and social structures" (111). The statements of IDO and Employment and Immigration officials, in my discussions with them, reveal a grave lack of understanding of the people for whom they plan. The reader is referred back to Chapter 3, particularly one IDO official's comments on the longliner fishermen of Port de Grave (p. 54). In the case of Newfoundland fishing communities, what is needed is policy that fosters the development of the traditional household economy and allows for occupational pluralism, recognizing these features as national economic adaptations. In a country that is primarily urban and industrial, the fact of the 'hidden economy' of marginal regions is largely ignored. To give credence to this economy is to risk being labelled a rural romantic. The economists and the statisticians who have shaped federal fisheries policy largely failed to consider the benefits of the outport household economy. Michael Kirby, for instance, in his report on the Atlantic fisheries, considered only fishing and marketing for family use. As was shown in Chapter 2, these activities constitute only part of the household economy; the fact of a heritage-free home, for example, was ignored. Kirby condemned those social scientists and others who documented and supported the traditional household economy of Newfoundland, labelling them as members of a 'rural romantic' school of

thought that advocates poverty for fishermen. Of course, no one would advocate poverty for fishermen. Here (and elsewhere in the social science of Newfoundland and other marginal areas) the household economy is seen as a strength of Newfoundland communities; Kirby and others have confused traditional self-sufficiency with poverty. Certainly, Newfoundland fishing families do not enjoy a high standard of living, by urban criteria, but the sort of poverty seen on Toronto streets, for example, will not be seen in Newfoundland. Particularly in the present face of minimal economic opportunities outside the rural economy, traditional economic activities should be encouraged, not threatened, by government policy. On a practical level, this means unemployment insurance rules should not limit the subsistence activities of fishermen or other members of their households; household members in paid employment should be treated as 'boarders' by the local employment office; and recipients of fishermen's u.i. should be able to earn cash income, when possible, in or outside of their communities without jeopardizing their entire income support system (which is what u.i. acts as in the off-season). Ideally, however, more fundamental changes to the unemployment insurance system, or even a new system appropriate to Newfoundland, would be instituted. Such changes should allow for maximum economic opportunities for outport Newfoundlanders, which would enable them to remain in the inshore fishery and perhaps even become better fishermen. A recognition of the realities of Newfoundland fishing communities would also mean the loosening of licensing rules and regulations; young people would be able to establish themselves as fishermen and householders and all.

fishermen would be free to avail themselves of the economic opportunities offered by all the species off Newfoundland shores, not just the basic groundfish. A re-examination of the premises upon which DFO licensing policy is based (i.e. that there are too many fishermen chasing too few fish) would possibly result in a realization that quotas alone are needed to conserve fish stocks and that licensing fishermen and fish is not necessary.⁶ There is evidence in a few recent DFO publications that this department is beginning to question the rationale behind some of its policies, especially as the incomes of remaining fishermen have not increased with declines in the number of fishermen. The Government of Newfoundland's Royal Commission on Employment and Unemployment (1985-86) dealt extensively with the inshore fishery, including licensing and fishermen's unemployment insurance. The Royal Commission recommended fundamental changes to both programs but it must be noted that both licensing and u.i. are federal programs. However, the new Minister of Fisheries and Oceans, Mr. Tom Giddo, has vowed to give a stronger voice to the regional offices of DFO. Changes early in 1986 mean that these regional offices now have a direct line to the deputy minister of DFO, for example; prior to this, communication within the department was much more complicated. There is some room for optimism then that government officials may be able to recognize the fact that the logic of an urban industrial society results in harmful consequences when applied to non-industrial Newfoundland fishing communities.

⁶An exception to this rule might be the lucrative lobster which is fished inshore from small boats.

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THE OUTPORT HOUSEHOLD ECONOMY

AS A SOCIETAL STRENGTH

The post-Confederation Smallwood government's attempts at industrializing Newfoundland failed; the dispersion of the mainly coastal population, the distance from major markets and the lack of capitalist tradition, among other reasons, help to account for this failure. While the rest of Canada seems to be slowly recovering from the recession of the early 1980's, the same is not happening in Newfoundland and Labrador. Furthermore, the developments that created paid employment in the post-1949 years, that is, the infrastructure-construction boom and the major industrial developments in Labrador, have all but disappeared. It is likely that the offshore oil industry will create employment only in St. John's and larger centers like Marystown which has an oil rig repair center. As the oil industry is capital-intensive rather than labour-intensive, the jobs created likely will not alleviate Newfoundland's pressing unemployment problem. As we enter the late 1980's and early 1990's then, the importance of the traditional household economy will only increase in Newfoundland. This economy has always been a mainstay in Newfoundland society. Wage work on a large scale was not introduced into this primarily rural province until the establishment in the early 1940's of four American military bases. The bases were largely dismantled after the war but then confederation with Canada led to the institutionalization of wage work in Newfoundland, as alluded to previously. Even in the post-confederation period, however, employment in Newfoundland was and is far less stable than other more

industrialized regions. As well, many workers are less specialized; occupational pluralism particularly in rural areas remains the norm. A typical outporter might spend four months fishing or fish processing in the summer, then do some construction work for him/herself or others or work on a government make-work project or both in the fall and spring. The winter might be spent doing some hunting and repairing fishing gear; unemployment insurance is collected during this period. Conceptually and in work activities the season are very important:

"So ingrained are the seasonal changes in work activities that the feeling is often expressed by the few people who have previously worked in Goose Bay (site of military base) or in central Canada, that 'it's so boring there, one month is just like another!' (Hill, p. 59).

We have seen also that Newfoundlanders in fishing communities combine wage work with domestic production in the seasonal round of work activities.

Although a person might be 'officially' unemployed and collecting u.i. for five months, he or she is engaged in work activities for much of that period. Conceptually Newfoundlanders distinguish between 'work' and 'employment', unlike members of urban-industrial society (p. 70). As we have said previously status is attributed on the basis of 'how hard you work', not according to the job one holds (for reasons that are obvious by now).

Through a combination of monetary work activities Newfoundlanders have been able to make a living; as one fisherman (quoted in Chapter 2 said, "...you can't make much money but you'd never starve (here)."

Cash from fishing or other paid work and u.i., and income in kind from household production provide Newfoundlanders with the basics, food, shelter and clothing. In Chapter 2, we presented a 1966 family budget (see Table 2.2, p. 38). Below is a similar budget for a modern day hypothetical family (note the lower fishing income for 'part-time' fishermen) (House, 1986).⁷ It illustrates that income originates from a variety of sources and that domestic production is a strong component of family incomes. Such production is all the more necessary if the lack of employment opportunities is not alleviated. With this in mind, governments should foster the development of the inshore fishery and the rural economy. This should be done hand in hand with state policies and programs that would allow job creation, on the part of government, business and individuals.

⁷At present there is no accepted method of computing the value of household production. However, members of Memorial University's Economics and History Departments and the Royal Commission on Employment and Unemployment are currently involved in devising new appropriate methods.

⁸This is true for many Newfoundlanders in larger non-fishing towns. The researchers mentioned in footnote 7 above are attempting to measure household production in all types of communities and towns in Newfoundland. They have hypothesized that survey results will reveal a gradient of subsistence activities.

TABLE 5.1 FISHERMEN'S INCOMES

FROM ALL SOURCES1984

	<u>FULL-TIME</u>	<u>PART-TIME</u>
<u>EMPLOYMENT CASH INCOME¹</u>		
Net Fishing	6,820	2,573
Other Employment	<u>608</u>	<u>1,727</u>
Sub-total	7,428	4,300
<u>TRANSFER PAYMENTS¹</u>		
Fishermen's UI	3,422	1,353
Regular UI	359	1,351
Other	<u>406</u>	<u>619</u>
Sub-total	4,187	3,323
Total Cash Income	11,615	7,623
<u>HOUSEHOLD PRODUCTION²</u>		
Shelter	3,600	3,600
Fuel	1,000	1,000
Repairs	400	400
Food	<u>500</u>	<u>500</u>
Sub-Total	5,500	5,500
Total Personal Income	17,615	13,123

¹Figures adapted from 1984 Survey of Atlantic Fishermen.²Authors' approximate estimates:

shelter - mortgage payments @ \$300/mo.

fuel - firewood as oil equivalent

repairs - house, automobile, appliances

food - fish, game, berries, home gardening

"In order to provide nourishment for both body and soul, then, humanity's dependence on the natural world must be acknowledged and, as Schumacher has pointed out, production from local resources for local needs must be emphasized. The growing government dependency in Newfoundland must be attacked and traditional self-sufficiency encouraged: According to Schumacher, small scale economics and appropriate technology allow for the full development of human resources and are, in fact, a completion of the development of modern technology. If (and it is hoped this does not happen) the economic opportunities offered by capitalism have been permanently eroded and high unemployment entrenched in the Western World, then Newfoundland's long history of household production and self-sufficiency put her at the leading edge;" "...in the years ahead there need be no better place on earth to live than in one of the many communities along the coast of Newfoundland and Labrador, but to ensure their futures appropriate moves must be made..." (Kitchen: 1984, p. 14).

APPENDICES

Appendix I

Locations of Interviews with Fishermen

1. Labrador: A. Nain.
B. Makkovik.
C. Cartwright.
D. Port Hope Simpson.
E. L'Anse au Loup.

Western and Southwestern Newfoundland:

- F. Port au Choix.
G. Sheavers' Cove,
H. Campbell's Creek, and
I. Marches Point, Port au Port.
J. Jeffrey's, St. George's Bay.
K. Upper Ferry, Codroy Valley.
L. Rose Blanche.

Northeastern Newfoundland:

- M. Great Harbour Deep and
N. Jackson's Arm, White Bay.
O. Jackson's Cove and
P. Beachside, Green Bay.
Q. Tilting, Fogo Island.
R. Badger's Quay and
S. Valleyfield, Bonavista Bay.
T. Port de Grave, Conception Bay.

Southern Newfoundland:

- U. Grand Bank.
V. Burin Arm,
W. Epworth,
X. Parker's Cove and
Y. Mortier, Placentia Bay.

APPENDIX II LOCATION MAP

Major Cod Stocks 1984

- 1 Northern Cod
- 2 Gulf of St. Lawrence Cod
- 3 Grand Banks/St. Pierre Bank Cod
- 4 Scotian Shelf Cod

☐ Continental Shelf
☐ Canada's 200 Mile Limit

Appendix III

INTERVIEW SCHEDULE

PERSONAL INVOLVEMENT AND HISTORY

- A1. Tell me about your involvement in the fishery to date (i.e. vessel, gear, species fished, etc.).
2. (a) What sorts of other work do you do besides fishing (e.g. hunting)?
- (b) Do you ever take any paying jobs besides fishing?
- (c) Do you ever participate in any Canada Works or other make-work projects? What do you think of them?
3. (a) How many people live with you? What do they do for a living?
- (b) Do your wife/husband or children ever help you in work work?
- (c) Would you like your children to go into the fishery? What do you think they will do?
- (d) Do young people want to go into the fishery?
4. (a) What is the present state of the fishery as compared to other years?
- (b) Will you stay in the fishery? Will other fishermen in your community stay in the fishery? Why/why not? (If no:) what will they do?

ISSUES IN THE FISHERY

- B1. (a) (What do you think of the licensing system whereby fishermen are classified as full-time or part-time?
- (b) Is there a need for a licensing system? If so, how would you organize it?
2. We also have a system whereby one has to get a special license for certain species, such as lobster or crab. Is this system a good one or not? If there are problems with it, how would you solve them?

3. (a) What do you think of the unemployment insurance system for fishermen? How could the system be improved?
(b) Do people take advantage of it? (If so:) how?
4. As you know, the federal and not the provincial, government controls the harvesting sector. Does this have negative or positive effects on the industry?
5. The role of government bureaucracy has come up quite a bit in my discussions with fishermen. What are your experiences with the bureaucracy?

FUTURE POSSIBILITIES AND DIRECTIONS

- C1. If you were put in charge of the Newfoundland and Labrador fishery for one day, what would you do with it? If you could implement only one of these ideas, what one would it be?

Appendix IV

The interviews upon which this thesis were carried out as part of my work for the Government of Newfoundland and Labrador Royal Commission on Employment and Unemployment. Approximately 50 inshore fishermen were interviewed. Most of these fishermen were classified as 'full-time' and were members of the Fishermen's Union.

At the time of writing, the Royal Commission Report was due to be released in September, 1986. The reader is asked to refer to this report as well as a series of background reports which will be released concurrently. Of particular interest will be the 'fisheries report', Fisheries Policies and Community Development: A Revised Approach to Managing the Inshore Fisheries in Newfoundland by Douglas House and Maura Hanrahan (1986).

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