

ure, under a similar control. This is speculation; but the tendency is strong to-day, and may be strengthened in the reorganisation which will inevitably follow the present conflict.

Perhaps the development of the public corporation is just another example of

British compromise (though similar tendencies have appeared elsewhere)—an attempt to combine the merits of commercial enterprise and public control; at any rate it seems to be the contemporary British answer to the question of public ownership of utilities.

## Newfoundland and Its Fisheries

By RAYMOND GUSHUE

IN writing on a subject such as the present, a statistical service at one's elbow is a great temptation. It is one, however, which must be avoided lest the proverb, "L'appetite vient en mangeant", be illustrated. The use of statistics is often like concocting a cake, which, while easy to mix, is hard to digest.

When a visitor from outside first arrives in Newfoundland, he is enjoined with mock over-emphasis, to avoid the pit-fall of speaking of "fish" unless he is thinking only of cod. If he wishes to discourse of other denizens of the deep, he must particularize. And this illustration gives, in miniature, the story of our fishing industry through the centuries,—the story of salt cod. The Grand Banks, off the South Coast of Newfoundland are known internationally as one of the greatest fishing areas in the world, and fishermen from many countries have frequented these waters in season—the Gloucesterman, the Lunenburg, the Basque, the Portuguese, the Spaniard and others, in common with the Newfoundlander. Less well known internationally, but familiar phrases to Newfoundlanders are the "Labrador fishery" and the "Inshore fishery". The former witnesses a seasonal migration of hundreds of vessels and thousands of men to the Labrador Coast, while the Inshore fishery is prosecuted on every portion

of the Coast of Newfoundland, principally by the fishing population of each settlement, although some go farther afield. All these men are engaged in the production of salt codfish, of which Newfoundland waters have, over a long period of years, been the world's greatest source of supply.

The predominant part which the salt cod industry plays in Newfoundland's economy has already been indicated. There are other fisheries, such as salmon, herring, halibut, smelts, turbot, etc. the sum total of which does not approach that of the salt codfishery, in terms of employment or production. There is no country which has been more dependent on its fisheries than Newfoundland, and no country in which, up to the present, the salt codfishery has so completely dwarfed all others. That is why, in the depressed state of the industry, Newfoundland has felt the pinch more than other countries. For the salt codfishery has fallen on evil days and for some years has been in a depressed state. This is a world condition, and one which has produced some remedies which, while of temporary benefit, may lead to unfortunate results. In this regard, each producer is much less likely to blame himself than his neighbour. Let us examine some of the causes of the condition, as seen from Newfoundland's angle.

1. Salt codfish is not a luxury article. It might be said that it is not generally in demand among urban populations. This factor has its effect on demand and

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on price, and the success or failure of crops in various countries has a very direct bearing on our marketing prospects for salt codfish.

2. Over expansion of production, without regard to economic cause and effect on the part of some producer countries has produced a form of competition which has brought about a dislocation of the industry.

3. The emphasis placed since 1918 on the development of a "national fishery" by some consumer countries has created a serious problem. This has taken place principally among European countries who have traditionally been our best customers. It is one phase of the growth of the Corporative State, and although on analysis its fundamental weakness may be seen, it is one which is more likely, at least in the near future, to be an increasing than a diminishing problem.

4. The various artificial aids given to producers have made their contribution. The oldest, of course, is the French bounty, which has continued, with occasional interruptions, for over a hundred years. Norway has for several years subsidized her exports of fish to some markets on an increasing scale. Canada herself, or rather Nova Scotia, has recently had a two-year experience of the bounty system. Newfoundland, whose lack of capital and of other large scale industries long prevented her from doing more than endeavour to ward off crises in an abnormal year, has within the past four years joined the ranks, firstly on a modest scale, by cheapening the price of salt, and latterly, by a policy of raising prices to fishermen to a level which could not be attained in all markets, backed by a sort of Government insurance against loss on export.

5. The serious falling off of imports in important consumer countries must also be referred to. This has come about through the operation of rigid quotas, exchange restrictions, prohibitive duties and consumer taxes, aimed more at excluding foreign fish than at increasing revenue.

6. Financial difficulties and political disturbances have been factors. The Civil War in Spain, where no Newfoundland fish went last year, but which has taken over 400,000 quintals in a season, is an example of the latter.

7. The change in character of consumption of fish in a market like the United States where landings of salt cod in 1900 were 55,036,000 pounds as against 1,546,000 in 1937, cannot be overlooked.

8. The lack of standards of quality, and of an inspection service which could convince producers and consumers alike of the value of such standards, and ensure their observance, may be blamed for some of our difficulties of the past in foreign markets.

Some of the above recited causes are within our own power to remove, and progress has been made in this direction. Others are based on external political or social considerations, and may be but part of a cycle which will pass. Some are of a permanent character, and can only be met from without and not from within the industry. Others may be removed only by a common recognition of their ultimate futility by all producer countries, and by acceptance of and adherence to a common principle. That goal will not easily be reached. Let us examine in this connection the question of State aids to the fishing industry. As a palliative they afford temporary relief, but the ultimate effects are undeniable; they are cumulative, tending to increase rather than decrease, and their benefit eventually escapes the producer. Thus they become inefficacious. The nearest analogy is that of the amassing of armaments—swelling until the point of exhaustion or absurdity has been reached, and always fraught with the possibility that it is speeding the cataclysm which it is in many cases designed to avert. Some day perhaps the countries affected will come together and abandon State aids, and such an action must, after the initial adjustments are made, have a beneficial and stabilizing effect. The subject was raised at the Trade Conference held in London last April, but no solution could be expected at so early

a stage. It is to be hoped that it will not be too long delayed.

However, one must not wander too far from the subject, which is that of the fisheries from the Newfoundland viewpoint. The highlights of the policy which Newfoundland must adopt towards its fisheries seem to be clearly indicated, and may be summarized as follows:—

1. The improvement of quality and the firm establishment of standards in our salt codfish industry. Following three years of preparation and training of personnel for an inspection staff, this aim has this year reached the stage of active policy. Standards have been made law, and are being applied. The full effect will not be seen for several years, for it must permeate the whole industry, from fisherman to consumer but the indications are that it will prove to be a decided benefit to Newfoundland's trade.

2. The development of the most effective type of marketing organization in the salt codfish industry. This is by no means a simple matter, since there are so many qualifications on liberty of trading in a number of countries. A number of experiments have been essayed during the past three years, and a great deal has been learned therefrom.

3. On the subject of Government aids to the fisheries, it is generally felt here that the solution must be international rather than national, and I believe Newfoundland would by no means hamper such a solution. Her general position is such that she can ill afford to subsidize her fisheries on a large scale. On the other hand, it must be recognized that since the codfishery has been a more vital factor in her national economy than in that of her competitors, Newfoundland must, if forced, fight to the last ditch to protect her interests. A complete failure of the codfishery would

in most countries be a hardship—in Newfoundland it would be a national disaster.

4. Newfoundland has not kept pace with modern developments in the fisheries. Because of her geographical position she has not been able to take part in the growth of the fresh fish industry. She may now be able to overcome this handicap in view of the increasing demand for frozen fish. Her resources in cod, haddock, flatfish, etc., are unexcelled, and her facilities for producing high quality fish are unique. These possibilities are not being overlooked, and important developments may be expected. Expansion along this line, with its attendant benefits, can be great.

5. Other fisheries which have not been developed in proportion to their possibilities are being examined. The herring fishery is an example and during the present year important experiments are being conducted on a commercial scale both in the packing industry and in the production of oil and meal. While at this stage conclusions cannot be drawn, it is not beyond the realms of possibility that an industry approaching in importance that of the codfishery may be developed.

In summing up, it can be said that while improvements within the industry will better Newfoundland's competitive position as an exporter of salt cod, they cannot solve her fishery problems, since the industry is becoming more and more circumscribed and limited. The real remedy lies in diversification of our fishery products, which will, if successful, also serve to lighten the load on our salt cod industry. Newfoundland must seek to utilize many hitherto dormant resources with which she appears to be so plentifully endowed. If a figure of speech may be permitted, we must put some of our eggs in other baskets, rather than risk a collapse of the one which is becoming so badly overstrained.