Frozen Fish Companies, the State, and Fisheries Development in Newfoundland, 1940-1966

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Newfoundland, a rocky, wind-ravaged island cooled by the convergence of the Labrador Current and Gulf Stream off its shores, was once blessed with one of the richest natural fisheries resources in the world. For nearly 500 years, the Grand Banks and inshore fishing grounds of Newfoundland provided enterprise not only to its resident population, but also to fishers from England, France, Spain, Portugal, the United States, and more recently, the former Soviet Union, East and West Germany, and others. With scant agricultural resources and little land-based development, Newfoundland's economy has continued to rely on its fisheries resources. Indeed, in 1990, 43,910 people of a total population of just over 500,000, were directly employed in the fishery as fishers, trawler workers, and plant employees [Task Force on Incomes and Adjustment in the Atlantic Fishery, 1993, p. 157]. Recently, however, this resource which sustained fishers for centuries, collapsed. In 1992, the Canadian government declared a moratorium on fishing northern cod. Almost overnight, thousands of people lost their livelihoods, hundreds of communities lost their ability to maintain their populations, and the entire Newfoundland economy has been shaken to its core.

A labyrinthine subject, the fishery encompasses a whole range of elements, including socio-economic relations, the state, politics, technology, the international fishing economy, and the resource in its marine environment. Understanding how such a colossal economic, social, and ecological disaster happened requires us to begin to unravel the threads that shaped the direction of development of the fishery in the past. What is most striking when looking at the post-World War II Newfoundland fishery is the massive industrialization that occurred. Fisheries scientists Jeff Hutchings and Ransom Myers argue,

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> In terms of harvests, spatial and temporal variation in effort, technological advances in fishing equipment, and competition among fishing nations, the second half of the 20th century marked the most volatile period in the Newfoundland fishery [Hutchings and Myers, 1995, p. 57].

Although the waters off the coast of Newfoundland had been fished for centuries, the introduction of the factory freezer trawler in the 1950s gave harvesters the ability to exploit the resource with an intensity not known before. Industrial organization in the fishery, both international and domestic, heightened the competition for the resource, as investments in this capital-intensive sector rose. Post-war population explosions and the increased demands for frozen food products, especially in the United States, fueled the expansions in the fishery. How and why industrialization occurred in specific areas, however, is less well known. In particular, the role of the state in this process, remains a little-understood area. Since the 1950s, the fishing industry in Newfoundland has been dominated by a small group of vertically-integrated harvesting/processing firms, which have owned almost all of the province's offshore fishing vessels and a majority of the processing capacity. This paper will sketch the historic context of the industrialization of the fishery in Newfoundland from World War II to the mid-1960s, focusing on the relationship between private enterprise and the state in fisheries development.

Newfoundland in Transition – The Fishery and the State, 1940-1949

The years between the beginning of World War II and the mid-1960s saw dramatic changes in the Newfoundland fishery, its industrial structure, its markets, and its social relations. Mercantile capital in the fishery gave way to industrial capital. The inshore, household fishing society based on merchant credit was transformed into a cash-based economy, with fishers selling fish to vertically-integrated harvesting/processing firms. Other members of fishing communities went to work at frozen fish processing plants, or on offshore trawlers owned by the fishing corporations. Exports of dried saltfish, produced by individual fishing families, to the markets of southern Europe, South America, and the Caribbean, declined, while exports of frozen cod fillets and blocks to the United States soared. These changes represented a fundamental shift in the Newfoundland fishing economy, away from the older world of transatlantic trade and towards a North American industrial culture.

The fishing economy of Newfoundland had been troubled since the late 19th century, a result of poor prices for fish, monetary exchange difficulties in the international markets, and problems controlling production [Alexander, 1977]. The merchant credit system was widely blamed for the dearth of further economic and industrial development in the small British Dominion. By the early 1930s, the downward spiral of fish prices that culminated with the Great Depression, along with crippling war debt payments, had pushed the financial position of Newfoundland to a crisis point. In 1934 Responsible Government was rescinded and a Commission of Government was installed to govern its affairs. Solving the problems of the Newfoundland fishing economy became a priority of the British Commissioners.

Initially, the Commission's efforts in reforming the fishing economy focused on the reorganization of marketing saltfish and in setting up cooperatives as a way for the outport fishers to reduce their dependence on merchant credit [Alexander, 1977]. World War II, however, intervened and changed the direction of fishery development radically. Early in the war it became evident that the opportunities offered by a new product – quick frozen fish fillets – promised to move the fishing industry away from traditional saltfish production. Although frozen food had been in existence since the beginning of the twentieth century, it was not until the late 1930s that methods improved to the point that it was acceptable to consumers. In the United States, food processing companies such as Birdseye (General Seafoods) and Booth Fisheries began marketing brand-name, packaged frozen fish fillets for home consumption ["Booth Fisheries Corporation," 1955, pp. 24-25.] With the rise of public cold storage plants in the United States (and later, home refrigerators), and the development of "quick freezing" technology, packaged and processed frozen foods seemed poised to transform the American food industry.

Nonetheless, it was ultimately wartime demands for the new product that played the major role in hastening the growth of the frozen fish industry in Newfoundland. Shortly after the war began, British importers came to Newfoundland and signed a contract with three St. John's, Newfoundland-based firms to supply them with 10 million pounds of frozen fish [Provincial Archives of Newfoundland and Labrador (PANL), GN 38, box S2-1-5, file 8, memo to Commission of Government from Commissioner for Natural Resources, P.D.H. Dunn, N.R. 56(b)-41, 16 October 1941]. This incident led both fishing industry people and Commissioners alike to start mobilizing to take advantage of the demand for the new product. Export figures from the period show that the rise in frozen fish production coincided with the outbreak of the war in late 1939. In a single year (1939-1940), Newfoundland exports leaped from nearly 1.6 million pounds of frozen fish to 10.5 million pounds, with 56 percent of exports going to the United Kingdom [PANL, GN 34/2, file 25/79, "Report of the Fisheries Committee to the National Convention," p. 13]. Throughout the war years, Great Britain continued to be the main buyer of Newfoundland frozen fish products, but by war's end, the United States was emerging as a major importer. Forty percent of frozen fish was exported to that country, prompting the Commission of Government and many frozen fish operators in Newfoundland to realize the importance of securing trade ties with the United States after the war. Both the dramatic expansions in production during and after the war, and the shift towards the American market would have a significant impact on government responses to the fishery.

Industrializing the fishery clearly had its benefits for those looking for a quick fix to the economic problems entrenched in the saltfish trade. As the frozen fish companies operated on a cash basis, the new industry seemed to offer a way out of the credit system. The Commissioners blamed the credit system for throwing a pall over Newfoundland society, stifling the spirit of progress both economically and socially. Moreover, the sector promised to help integrate the Newfoundland fishery, through its markets and its industrial structure, into the larger North American economy. Monetary issues were also a consideration. Newfoundland had been using the Canadian dollar since the late 19th century, but most of the saltfish buying countries in southern Europe were on the pound sterling system [Alexander, 1977]. The chance to earn American dollars by selling to a single market had its attractions for those who had experienced the headaches of dealing in the international saltfish trade.

It was with this background that the Commission of Government established a program to assist the frozen fish industry in 1943. By that point, only a few Newfoundland fishing enterprises had made the transition to frozen fish processing. In fact, a number of the old saltfish firms were beginning to diversify out of the fishery altogether, preferring to direct their resources toward service sector concerns. The Commissioner for Natural Resources, P.D.H. Dunn, complained that so few had chosen to make the leap, saying, "Some of the firms engaged in the fish trade are unfortunately not progressive, and they do not wish to change their methods so long as profit can be made" [PANL GN 38, box S2-2-2, file 7, "Memo – Reorganization of Fisheries," NR 1 -'43, 4 January 1943]. With some reluctance, Dunn acknowledged that the government would have to do the bulk of the financing for the development of the frozen fish industry and, to this end, set up a program whereby companies could obtain low-interest (3.5 percent) loans for the purchase of offshore fishing vessels or the building of processing plants [PANL GN 38, S2-1-5, file 1, "Fishery Development – Conditions Under Which Loans will be Made"].

In the first few years of the program, the Commission of Government extended a total of nearly $800,000 to four saltfish merchants-turned-frozen-fish operators: Job Bros. and Company Limited, Fishery Products Limited (FPL), John Penny and Sons, and North Eastern Fish Industries. These family-owned companies made the transition from mercantile to industrial capital within a single generation. As saltfish merchants, these entrepreneurs did not produce fish for market themselves, but bought it fully cured and processed from outport fishing families. Their sphere was the world of transatlantic trade; their business contacts were with Britain, southern Europe, and the Caribbean. As frozen fish operators, however, their involvement with production expanded significantly. They oversaw their product from the sea to the grocery store, participating in harvesting, processing, and marketing the fish. They turned their sights towards the eastern seaboard of the United States and hired agents in Boston to sell their fish. It was not an immediate process; most of these firms straddled the line between the two capital structures for nearly twenty years, operating in both saltfish and frozen fish sectors until the early 1960s. Indeed, the early shareholders in these frozen fish companies were predominantly family members, and the saltfish firms owned by family members. Two of the largest producers of frozen fish after the war were also among the top five exporters of saltfish [Maritime History Archives [MHA], Memorial University of Newfoundland, Newfoundland Association of Fish Exporters

Limited Records, Shipment Ledgers, 1947-1959]. One common feature among these entrepreneurs, however, was their shared belief that frozen fish and the American market promised the best path for the future.

By the end of the war, Fishery Products Limited had emerged as the largest producer of frozen fish, with a production in 1947 of over 7.7 million lbs. [PANL GN 38, box S2-1-5, file 11, "Fishery Products Limited: Production of Individual Operators for the year 1947"]. Although the company was only incorporated in 1941, the owners, the Monroe family of St. John's, had been involved in the fishing business since the early twentieth century. Walter S. Monroe, the founder of the Monroe Export Company, became Prime Minister of Newfoundland in the 1920s. With the family patriarch preoccupied with the tumultuous world of Newfoundland politics, much of the management of the Monroe's business was left to Walter's son, Arthur H. Monroe. Born in St. John's and educated in St. John's and England, Arthur led the family into the frozen fish business. Known to his contemporaries as a bright, clever, if somewhat impetuous business person, Arthur Monroe built a large fishing enterprise in a relatively short period of time. Fishery Products Limited was founded with $50,000 nominal capitalization [Newfoundland and Labrador, Registry of Deeds, file 1689]. By 1947, the company had issued $1,255,200 worth of shares, most to immediate family members and business associates. The largest shareholder was the family saltfish firm, Monroe Export Company. Arthur Monroe also had interest in an American processing company, Fishery Products Incorporated of Cleveland, Ohio, where the company sent much of its fish for secondary processing for the US domestic market. At the end of the war, FPL owned seven plants, four trawlers, several smaller motorized vessels, and two refrigerated ships. Clearly, the Monroe family was gearing the company towards a major expansion. It would continue to dominate domestic production of frozen fish for the next thirty years.

Job Bros. and Company, Ltd. was another early entrant to frozen fish processing [Newfoundland and Labrador Registry of Deeds, file 1227]. Unlike the other frozen fish firms, however, Job Bros. was a large, diversified firm, with freezing being just one of a number of interests, including retail, insurance, and shipping. The Job family, who had been involved in the Newfoundland fish trade since the late eighteenth century, maintained operations in both St. John's and Liverpool, England. The business, however, underwent a major restructuring at the end of the war, divesting itself of all but one of its frozen fish processing plants. A former Director of the concern, Hazen Russell, formed his own company, Bonavista Cold Storage, and it became the second largest producer of frozen fish in Newfoundland.

The other frozen fish operations tended to be smaller and based outside the capital city of St. John's. John Penny and Sons, situated on the south coast of Newfoundland, had been involved with the fishery on the Grand Banks since the mid-nineteenth century. In 1942, the company installed freezing equipment. By the end of the war, the company owned two trawlers, several wooden schooners, and a processing plant that had a production capacity of 40,000 pounds of packaged fish a day. Silas Moores, affiliated with an outport saltfish firm, W & G Moores, also moved into frozen fish during the war, founding the enterprise, North Eastern Fish Industries.

These four companies, along with a group of enterprises owned by another south coast family, the Lakes (who moved into frozen fish in 1951) became the core group of frozen fish operators in the province, and were the major recipients of government assistance. The history of the frozen fish industry in Newfoundland shows a remarkable continuity, as these companies founded in the 1940s and early '50s, were, in slightly altered form, the same companies that would dominate the frozen fish sector for the next forty years.

Frozen Fish Companies and the Newfoundland Government, 1949-1966

In the 1950s and early 1960s, frozen fish production in Newfoundland skyrocketed. Between 1950 and 1964, the number of frozen fish plants doubled and the number of fish plant workers increased from 1,170 to 7,427. Production rose from 34.5 million pounds in 1950 to 57.8 million in 1960, and to 106.9 million pounds in 1965. In 1964, frozen fish production, pound for pound, surpassed saltfish, signaling the death blow for the older trade [Economics Branch, Department of Fisheries, St. John's, Newfoundland, 1967]. Throughout the 1950s, virtually all of Newfoundland's frozen fish production went to the United States. Indeed, Newfoundland became an important source of groundfish fillets and blocks to the large American firms, such as Booth Fisheries and Birdseye (General Seafoods/General Foods), many of which had divested of their harvesting operations and consolidated their activities into secondary processing. Between 1956 and 1965, Newfoundland exports of groundfish to the United States comprised an average of 31.8% of total imports. In the same period, Newfoundland groundfish made up an average of 19.7% of the total American supply [MHA, Memorial University of Newfoundland, Harold Lake Papers, box 45, *Market Study – The Frozen Fish Trades Association Ltd., St. John's, Newfoundland* by Robert J. Gruber]. The United States established a new tariff on frozen fish products in 1954 of 20% for frozen blocks and fillets, and 30% for breaded or cooked fish. The American fish processing firms had introduced the "fish stick," a breaded and cooked product, which took the domestic market by storm in the early 1950s. The higher tariff for this product, however, ensured that Newfoundland processors remained as suppliers of raw material to the larger American firms.

Most of this tremendous growth in the Newfoundland frozen fish sector can be attributed to the assistance of the Newfoundland government. After the war, Newfoundlanders voted in a referendum to become a province of Canada. In 1949, the new provincial government, headed by Premier Joseph R. Smallwood, began the task of rebuilding the economy. Smallwood, who had been the self-appointed leader of the Confederation campaign in the years before 1949, had promised the people of Newfoundland that he would bring them the amenities of North American society – social welfare benefits, education for all children, and plenty of employment. Bringing Newfoundland into the industrial age in a few short years, however, proved arduous, and to hasten it along, Smallwood instigated a number of (mostly ill-fated) development schemes involving public money and private enterprise in his first ten years in office [Gwyn, 1972]. Fisheries were no exception. Although the federal government assumed jurisdiction for fisheries in 1949, for various reasons it was reluctant to finance a large-scale fisheries development program in the new province [Wright, 1997, Chapter Three]. In 1953, after learning that the federal government would not support a special fisheries program, Premier Smallwood embarked on a development program of his own. Like the Commission of Government, Smallwood preferred to provide direct loans and loan guarantees to private enterprise. His program, however, extended far beyond the scope of the earlier endeavor.

The firms that benefited from this program were, for the most part, the same that first received loans from the Commission of Government in the 1940s. Although the first stage of investment in frozen fish had been financed by the saltfish branches of these firms, the second stage was financed almost entirely by the Newfoundland government. These firms had few investors outside immediate family members and no significant capital from American or Canadian mainland interests. In fact, there was no substantial direct Canadian or American involvement in the Newfoundland fishery in this period.[2] As well, these fledgling frozen fish concerns had difficulty obtaining loans from the chartered banks. Early in the 1950s, the Canadian chartered banks stopped extending long-term business loans, offering five-year loans instead. Many frozen fish operators, faced with having to invest millions within a short period of time for the prerequisite technology – frozen fish processing equipment and offshore trawlers, simply felt that five years was not long enough to pay back the loans.

Against the background of a troubled fishing economy that was unable to sustain the fishing population and business interests, the coming together of the Newfoundland government and this small group of frozen fish operators is understandable. The new Premier had promised to give the people of Newfoundland a better standard of living, and industrialization seemed the quickest route. At the same time, fish company owners saw the possibilities that were offered by the expansion of the American domestic market for frozen foods, but needed capital to invest in the technology required for the new industry. The two formed a relationship that would dominate the direction of fisheries development over the next forty years.

One firm in particular, FPL, became the single largest recipient of government aid, and became the veritable "instrument of development" in the Smallwood era. Arthur Monroe owned the largest processing concern in the province, and he used the powers of his persuasive personality to convince Smallwood his company was worthy of support. He portrayed himself as a

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[2] British Columbia Packers bought a plant from the Newfoundland government in the early 1960s. Booth Fisheries of Chicago bought a small processing plant on the south coast of Newfoundland in the late 1950s. These were the only non-Newfoundland-owned companies operating in this period.

pioneer, willing to make sacrifices for the good of the province's economy. "We are capable of it," he asserted, referring to the possibility of his firm taking a leadership role in the development program, "and in a national emergency, I feel that we are bound to it if so requested by the government" [Centre for Newfoundland Studies Archives [CNS], Memorial University of Newfoundland, Smallwood Papers, file 3.12.040, letter to Smallwood from Monroe, 29 May 1950]. Monroe's appeals worked, apparently. The new Premier was impressed with the scope of Monroe's operations, insisting that the chosen company was "fully equipped with the processing and marketing facilities, the skilled technicians and the management," to carry out the development program [CNS Archives, Smallwood Papers, file 3.12.040, speech, no date].

Between 1953 and 1961, Fishery Products Limited obtained over $5 million in both direct loans and loan guarantees to build frozen fish plants in Newfoundland, more than twice as much as was given to any other firm in this period [PANL GN 34/2, file 82/3 vol. 5, "Loans made to FPL"]. The terms of the original agreement between the government and FPL stipulated that the company build five processing plants on the northeast coast of the island. In addition to the monies for the five plants, Monroe also received a loan of $1,687,000 to subsidize the company's other operations [PANL GN 34/2, file 2/37 [1953), Certified Copy of Minutes, Fisheries and Co-operatives 466-'53, 29b-'53].

Although beneficial to both parties, the relationship between FPL and the Newfoundland government was a difficult one, as their respective needs often diverged. The government aimed to provide as much employment as possible through the continued operation of the frozen fish plants, while Monroe's priorities lay with the best interests of his firm. This fundamental contradiction revealed itself fairly early in the project when the introduction of the fish stick in the United States led to huge expansions in American production ["Fish Sticks," St. John's *Daily News*, 10 September 1956 [reprinted from the *Wall Street Journal*]. Soon, the markets became glutted with the product. By late 1955, Monroe began to have second thoughts about the ability of the market to sustain increased production. Monroe admitted,

> It was perhaps an unfortunate coincidence that just about that time the fish stick boom was really taking shape the Premier announced his Fisheries Development Program – almost a case of "come and get it" ["A Solution for Fresh Fish Over-Production," St. John's *Evening Telegram*, 9 February 1957].

Monroe was having trouble making his loan payments, and he appealed to the government to let him scale back development plans. He admitted that he deserved some of the blame for the over-expansion, but did not think that any error on his part should deter the government from continuing to support his reorganization plan. Eventually, the Smallwood government relented and a new consolidated loan agreement was reached [PANL GN 34/2, file 82/3, vol. 1, Certified Copy of Minutes, 390-'56, Fisheries and Co-operatives 18-'56]. Interest on the loans already in default, as well as for those of 1956 and 1957 would be deferred, and a new repayment schedule created, with the final balance being retired in 1978. The company was to complete and operate the plants already under construction, but was released from the commitment to build at one of the five planned sites. As well, FPL received additional loans for working capital and the completion of the one of the plants under construction [PANL GN 34/2, file 82/3, vol. 1, Certified Copy of Minutes 391-'56, Fisheries and Co-operatives 19-'56].

Other sources of tension, however, arose between Monroe and the Newfoundland government. To ensure the survival of its investment, the province demanded greater managerial control over FPL and appointed a special advisory committee to oversee operations. Monroe clearly resented these intrusions and disbanded the advisory committee in 1959 [PANL GN 34/2, file 82/3, vol. 5, letter to Monroe from Cheeseman, 3 June 1959]. Another ongoing issue was related to Monroe's wish to close two plants that he claimed were economically unviable. The Smallwood government, fearing the political repercussions of closing two publicly-financed operations, resisted but ultimately found itself unable to force Monroe to continue operating them. They were closed in 1960 [PANL GN 34/2, file 82/3 vol. 5, letter to Cheeseman from Monroe, 4 March 1960].

Although the Newfoundland government had had many difficulties with FPL, Smallwood and the provincial Minister of Fisheries, John Cheeseman, continued to support the firm. In a memo to Cabinet, Cheeseman defended FPL, saying that from the time the company received its first government loan,

> it started to weaken and as the loans increased the patient became weaker until finally when no further loans were available the patient almost passed out. Indeed, the crisis has not yet completely passed and, as I shall endeavour to show in this memo further blood transfusions will be necessary [CNS Archives, Smallwood Papers, file 2.11.011 [1959], memo by J.T. Cheeseman re: Fishery Products Limited, 30 December 1958].

Rapid expansion, without sufficient financial control by either Monroe himself or the government, was the main result of the loans. Cheeseman argued that the financial situation of the company, nevertheless, was of vital importance to the economy of Newfoundland, and particularly the thousands of people living within its areas of operation. "Indeed," he claimed, "the failure of this company would be a major disaster to Newfoundland. It has been my constant endeavour since assuming office to try and avert this." He assured the Cabinet that with tighter control over its operations, and a few profitable seasons, the enterprise would be back on its feet. He asserted, "Its importance to the economic and social health of Newfoundland demands the effort." Cheeseman's strong defense of FPL reveals the how much the government depended on the company. And despite the frequent conflict, FPL was none the worse for its support from the provincial government. By the early 1960s, FPL owned more than twice as many processing plants and offshore fishing trawlers than any other firm, and accounted for nearly 40 percent of all frozen fish production.

After millions of dollars being directed to Arthur Monroe's company, the fate of FPL and of the government fisheries development program were virtually identical.

FPL was not the only company to receive loans in this period. Bonavista Cold Storage, the plants owned by the Lake family, North Eastern Fish Industries, and John Penny and Sons also obtained loans from the provincial government to assist in their frozen fish operations. As of 1962, $11,539,739 was advanced to fishing companies for plants and trawlers [CNS Archives, Smallwood Papers, file 3.12.003 "Projections for 1962"]. In contrast, only 2.5 percent of the estimated 17,529 small-boat fishers received direct financial assistance from the provincial government between 1950 and 1961. The Fisheries Loan Board made 442 loans worth a total of $1,274,000, most of which were for the purchase of replacement engines for inshore boats [PANL GN 34/2, file 12/28/2.1, "Annual Report of the Fisheries Loan Board, for the year ending March 31, 1961"].

This, however, was only the beginning of state assistance to private enterprise. In 1966, the federal government, too, began a long relationship with the corporations, extending loans to help expand the offshore fishing fleets through the Fisheries Development Act. Records show that by the late 1970s, FPL alone owed nearly $13 million to both federal and provincial governments ["Fishery Products Limited – Notes to Consolidated Financial Statements, December 31, 1977," – personal files]. The state's largest financial commitment to the frozen fish industry, however, occurred in the early 1980s, when the industry was in financial difficulties owing to an over-extension of resources after the declaration of the 200-mile fishing limit in 1977. The provincial and federal governments undertook a major restructuring of capital in the Newfoundland fishery, nationalizing a group of nearly bankrupt companies, and investing a total of $233.5 million to create a "super" company, Fishery Products International [Schrank et al, 1995, pp. 364-365].[3] The nationalized firms included most of the firms that first received loans in the 1940s and 1950s: FPL, the Lake Group,[4] and John Penny and Sons, among others. The amalgamated firm, Fishery Products International, continued to dominate the Newfoundland fishery until the 1992 commercial moratorium.

Conclusion

Clearly, industrialization has had a massive impact on the history of the Newfoundland fishery. The process that began in the 1940s managed to transform the structure of capital in the fishery from a saltfish trade based on merchant credit to a vertically-integrated frozen fish industry. Integral to this process was the state, which supported the nascent frozen fish industry almost

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[3] The government received $152.7 in return when the company was re-privatized in 1987.

[4] The Lake Group was comprised of the companies owned by the Lake family. In the early 1970s, the Lake Group purchased Bonavista Cold Storage. It had also acquired some of the assets of North Eastern Fish Industries.

from its inception. In the short term, it seemed, the investment worked, as thousands of jobs were created, and the industry continued to expand throughout the 1960s, '70s and '80s. In the long term, however, the policies which favored a "high-tech," high-capital course for the Newfoundland fishery contributed to the dangerous practice of overfishing endemic in the Atlantic fishery after 1960. The more money invested in harvesting and processing, the more fish were needed to pay for the equipment. As a collective intensification of fishing occurred as a result of both domestic and international efforts, the resource dropped below sustainable levels. Although the devastation of the northern cod stocks occurred as a result of several factors, the industrial structure of the Atlantic fishery clearly played a major role in its demise. In understanding what has happened to this one-rich natural resource, a knowledge of the historic relationship between capital and the state in fisheries development is critical.

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