

The Collapse of the Saltfish Trade and Newfoundland's Integration into the North American Economy

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*The Collapse of the Saltfish Trade and
Newfoundland's Integration into the
North American Economy*

The growth of European population and overseas emigration in the modern period was associated with an expanding international economy.¹ Every corner of the world was given a role to play, from China and India to Tristan da Cunha and Newfoundland. For some of the outposts of this European centred economy, subsequent redundancy has had bitter consequences. Mauritian, as V.S. Naipaul observed, have been "left with what they started with: an agricultural colony, created by empire in an empty island and always meant to be part of something larger, now given a thing called independence and set adrift, an abandoned imperial barracoon, incapable of economic or cultural autonomy."² Both Canada and Newfoundland were part of this imperial economic history and neither separately nor jointly have they satisfactorily adjusted, in all respects, to being set adrift from a decaying empire. For Newfoundland the disengagement was exceedingly painful, and there were times when it appeared to be joining the ranks of Naipaul's imperial barracoons.

A major economic problem of the smaller colonies was an inability to escape from foreign trade dependence.³ They were bound tightly to metropolitan demands for foodstuffs and raw materials, and suffered from wide fluctuations in export earnings. Export specialization deepened during this century, and in 21 out of 32 British colonies for which there are statistics "the single most important export accounted for a greater proportion of the total in 1934-8 than it had in 1909-11, and only 11 colonies had a wider export base".⁴ Newfoundland was one of the exceptions, for the average value of its single most important export (fish) fell from 66% of total exports in 1899-1901 to 46% in 1934-8 with the development of mineral and forest product sectors.⁵ Nonetheless in the late 1930's this three product export economy had a ratio of exports to Net National Income of around 60%.⁶ The same ratio in Canada (which is always touted as a highly trade dependent country) was around 20%.⁷

If absolute magnitudes are ignored, it can be seen that Canada and Newfoundland shared international economic characteristics arising from their British North American heritage. The most important was that both sought large trade surpluses overseas in order to balance trade deficits in North America. Until World War II, as Table 1 shows, Newfoundland was somewhat less dependent upon North American export markets than Canada was upon the U.S.A.; but on the import side Newfoundland was sharply more dependent upon North

America than Canada upon the U.S.A. This reflected, on the one side, the competitive nature of Newfoundland output in North American markets and, on the other, the narrow range of its domestic product. Newfoundland exports, however, were spread among trading partners more widely than Canada's. Comparing the shares of exports going to each country's ten leading markets in 1948,

TABLE 1

DISTRIBUTION OF TRADE

	Newfoundland		Canada	
	North America	Overseas	U.S.A.	Overseas
EXPORTS				
	%	%	%	%
1945-48	48	52	41	59
1940-44	51	49	38	62
1930-39	33	67	37	63
1923-29	31	69	39	61
IMPORTS				
1945-48	91	9	74	26
1940-44	93	7	77	23
1930-39	71	29	61	39
1923-29	75	25	67	33

Source: Dominion Bureau of Statistics, *Province of Newfoundland, Statistical Background* (Ottawa, 1949), and M.C. Urquhart and K.A.H. Buckley, *Historical Statistics of Canada* (Toronto, 1965)

an 'index of dissimilarity' assumes a value of $D=0.26$. This indicates less export concentration among one or two countries within the ten in Newfoundland's case.⁸ If the foreign enclave sectors (forestry and mining) are removed from the Newfoundland export figures the index of dissimilarity rises to $D=0.44$. This indicates that the indigenous fishing industry was much more oriented to many overseas markets than the Newfoundland or Canadian export sectors in general. But as consumers, Newfoundlanders did not look to exotic lands. For any country, a marked divergence between export and import markets is a matter of concern; but it is especially so for a small and unimportant one which survives only by exporting over half of its National Product.

Before World War I Newfoundland and Canada ran negative trade balances as each imported capital to expand productive capacity. Following the war each emerged as a mature debtor, earning large surpluses on their trade accounts to

service interest and dividend remittances on the earlier capital inflows. But in Newfoundland the productivity of the investments (and the added burden of external war debt) proved inadequate to service the obligations and maintain personal incomes and public services at adequate standards. Table 2 column 1

TABLE 2

NEWFOUNDLAND AND CANADIAN TRADE BALANCES

	Net Trade Balance		Overseas Trade Surplus		Overseas Trade Surplus	
	as % of Total Trade		as % of Overseas Trade		as % of N. A. Deficit	
	(1)		(2)		(3)	
	Nfld.	Canada	Nfld.	Canada	Nfld.	Canada
1948	- 8%	8%	57%	31%	65%	266%
1947	-13	4	63	49	57	125
1946	- 1	11	73	51	93	195
1945	- 2	34	79	70	90	6747
1944	-14	32	77	74	58	1631
1943	-16	27	76	71	51	592
1942	26	18	68	62	32	281
1941	-24	6	53	39	33	67
1940	3	5	62	37	113	138
1939	8	11	49	36	156	272
1938	13	11	48	38	207	217
1937	11	11	46	33	187	269
1936	8	20	43	38	155	397
1935	16	15	48	32	272	577
1934	17	11	51	31	245	291
1933	24	14	59	32	308	403
1932	23	5	51	27	576	145
1931	19	- 2	57	19	423	80
1930	14	-13	58	16	224	35
1929	11	- 5	55	24	117	68
1928	11	5	49	36	206	143
1927	11	6	55	32	172	164
1926	9	12	54	40	157	235
1925	0	17	50	43	100	383
1924	-21	13	20	39	33	279
1923	-14	-16	39	34	59	159

Source: Dominion Bureau of Statistics, *Province of Newfoundland, Statistical Background* (Ottawa, 1949), and M.C. Urquhart and K.A.H. Buckley, *Historical Statistics of Canada* (Toronto, 1965).

shows that following the large capital inflow associated with the Corner Brook paper mill in the early 1920's, the Newfoundland net trade balance as a per cent of total trade climbed to almost 25% in 1933, in which year the country collapsed. Re-financing of the debt by the United Kingdom, budgetary assistance and grants from the Colonial Development Advisory Committee⁹ eased the requirement for large trade surpluses for the rest of the decade. Column 2 indicates that in every year but one Newfoundland's relative surplus on overseas account was significantly larger than Canada's, reflecting its greater need to earn surpluses to cover the North American current deficit and the international indebtedness. The importance of the latter is suggested by column 3 which indicates the large overseas surpluses relative to the North American trade deficit, until military expenditure relieved some of the burden.

Both Newfoundland and Canada depended upon an international trading climate, and a financing mechanism, which would permit imbalances on current and capital account to be adjusted between North America and overseas countries. In this respect they revealed a common heritage in the British-centred international economy of the nineteenth century. Newfoundland acquired its basic population stock and developed its economy in a climate of growing free trade.¹⁰ Shannon Ryan has traced the increasing difficulties of the fishing industry as economic liberalism retreated later in the nineteenth century;¹¹ but no less important was the slowly weakening position of sterling in this century as an international trading and reserve currency. It was the position of sterling in the world that allowed Newfoundland and Canada to generate trade surpluses overseas against North American deficits. In this respect both countries had a stake in the continued viability of imperial Britain.

I

G.W. Watts wrote in 1950 that Canada had always regarded its overseas exports as more a means of earning dollars than of acquiring goods and services.¹² Overseas trade was simply a financial operation. This was no less true for Newfoundland, and both countries had reason to worry that the Second World War would inflict permanent damage on a trade and payments system upon which they had relied since the Napoleonic Wars.

The financial problems of international payments were set aside during the war in order to maintain a stream of goods moving into the United Kingdom.¹³ This was accomplished by strict control on capital movements, trade licensing, requisitioning of British overseas assets, accumulation of sterling balances, and gifts and lines of credit, notably lend-lease after 1941.¹⁴ Avoidance of a Canadian post-war recession, or collapse, was believed to be dependent upon rapid restoration of British imports of Canadian goods for dollars. Because Britain had liquidated a large fraction of its overseas income and built up huge sterling balances overseas, and because it would take time to reorganize the export industries, it was recognized that restoration of the old pattern would not be im-

mediate.¹⁵ Therefore, to maintain exports to Britain in the short term, Canada was obliged to extend lines of credit,¹⁶ but it was expected that the United States would ease difficulties for both Britain and Canada in the longer term. It was a shock for both when lend-lease was abruptly terminated in the summer of 1945.¹⁷ The American credit to Britain of 14.4 billion announced in December of that year was not regarded as generous, particularly since it carried an obligation to make sterling convertible for current transactions a year following ratification, which took place in July, 1946. Canada had extended credit to Britain throughout 1945 and early in 1946 offered a loan of \$1.25 billion. Britain could draw on this for up to 50% of its net deficit with Canada, the remainder of which was to be paid in U.S. dollars. At the same time, Canada provided \$750 million in credits to non-Empire countries for use through 1947.

All of this represented financial band-aids, and few Canadians were prepared to admit the real structural crisis. In a speech in Montreal late in 1945, however, James Duncan of Massey-Harris (one of a handful of overseas oriented businessmen in modern Canadian history) called upon Canadians to face the fact that Britain would not be able to resume her previous role. It was necessary for this country, he argued, to increase the number and importance of our customers abroad and to purchase freely from those to whom we wished to sell.¹⁸ The need to abandon the old financial orientation towards exporting should have been clear when, at the end of August 1947, the Chancellor of the Exchequer announced suspension of the sterling convertibility instituted only a few weeks earlier. Both Canada and Newfoundland, which was part of the Canadian dollar system, found themselves in a less favourable payments environment than before the premature restoration of convertibility. They were now excluded from the 'transferrable account' group of countries,¹⁹ which provided for the multilateralism within the group and the sterling area on current transactions, and isolated into a 'bilateral' group,²⁰ where payments were restricted to payees in the sterling area and the individual country concerned, with no transferability within the group. The London *Economist* commented that while many countries had been 'put on the spot', "none is in a more difficult spot than Canada". The only long-term solution for Canada was to reduce the 'triangularity' of its trade and payments by diverting imports from the U.S. to Britain.²¹

By the end of 1947 Canadian gold and foreign exchange reserves had fallen from \$1.25 billion at the beginning of the year to \$500 million.²² The reserve position was restored in 1948 by re-establishing U.S. import controls and travel restrictions, and by suspending British drawings on the post-war loan. Encouragement was given to production which would earn or save U.S. dollars,²³ and relief also came through European 'off-shore' purchases in Canada with ECA dollars. C.D. Howe, the Minister of Reconstruction, welcomed the announcement of the Marshall Plan as constituting salvation for both Europe and Canada.²⁴ The availability of ECA dollars for purchases of Canadian products did provide a breathing space in 1948; but British commentators repeatedly stressed that Canada's trade was characterized by structural problems which neither the ECA nor a restored sterling convertibility would resolve:

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The great dilemma can be put in a very simple . . . form. Will Canada shift its *exports*, sending less to the United Kingdom and other soft currency countries and (if possible) more to the United States; or will it shift its *imports*, buying less from the United States and (if possible) more from other countries?²⁵

Despite the temporary controls on American imports, the *Economist* correctly predicted that the growing domination of the Canadian economy by the U.S.A. would result in a shift of exports to that country.

Throughout late 1948 and 1949 Canada's trade prospects in Europe deteriorated. The world shortages of food and raw materials began to ease and, despite government exhortations to close the 'dollar gap', European businessmen showed an understandable preference for trading in soft currency markets. In April 1949 the ECA gave notice that Britain's offshore food purchases were to end,²⁶ since an American farm surplus was beginning to develop. By mid-summer sterling was under pressure, and Sir Stafford Cripps announced massive cuts in food, timber and paper imports. In September Cripps astounded the world by devaluing 30% against the U.S. dollar. The sterling area followed, as did Holland, Denmark, Norway, Sweden and Greece. Severe devaluations were announced elsewhere in Europe, and Canada devalued by 10%, leaving an effective sterling depreciation against the Canadian dollar of something less than 24%.²⁷

In response to this succession of British and European crises, the value of Canada's overseas exports slipped below exports to the United States for the first time. With the surge of American investment in Canada the ratio of exports to GNE fell much more sharply.²⁸ The brunt of the contraction was experienced by the farm sector and in 1950 the Canadian government was obliged to cover farm losses with export subsidies. Early in 1949 the *Economist* had predicted that,

. . . prodigies of export promotion to Canada will have to be achieved if within three years commercial relations between Britain and Canada are not to be disturbed, to the disadvantage of both parties, by considerable further cuts in British imports from Canada.²⁹

This was not forthcoming and Canada did not make efforts to divert imports from the U.S.A. to overseas suppliers. Consequently, the historic triangularity of Canadian trade and payments gave way to a bilateral orientation toward the United States.

Unlike Canada, Newfoundland was in no position to finance exports in order to maintain post-war employment. While the current value of national income more than doubled during the war, it began to slip in 1947, and on a per capita basis Newfoundland was among the poorest of western countries.³⁰ In 1947 exports from the three resource sectors accounted for almost 70% of Net National Income,³¹ and some 40% of mineral exports, 52% of forest products and 65% of fishery exports were shipped directly to soft currency markets.³²

Fishery exports were most seriously in danger. The industry was the country's most important employer and *directly* supporting over a third of the population. The saltfish industry, which accounted for over half of all fishery exports, was the pivot around which the entire fishing industry revolved. Much of the remaining fishery exports represented by-products of the saltfish sector or were fisheries that would not be pursued in the absence of the salt trade. Newfoundland's saltfish producers exported virtually all their output into European or Western Hemisphere soft currency markets, and consequently post-war exchange and payments problems were of unusual importance to the country.

Poverty in pre-war Newfoundland was widely attributed to dependence upon saltfish. The industry was characterized by low labour productivity and poor market returns.³³ The Commission Government's programme of reconstruction was centred on raising efficiency and diversifying output into less traditional products. This reorganization began in 1934, and by the end of the war the country had the nucleus of one of the world's best fishery services. The Newfoundland Fisheries Board was established in 1936 under the chairmanship of Raymond Gushue, a brilliant young St. John's lawyer. The Board was granted virtually unlimited regulatory authority over all aspects of production, processing and marketing,³⁴ but a special responsibility was to cajole the highly individualistic saltfish exporters into a national co-operative marketing system. Through single-desk selling, it was hoped to improve prices, block consignment sales by weak exporters, halt the drain of false quality claims, and generally to lower marketing overhead costs. Co-operative marketing proceeded in three stages, beginning with the formation of marketing companies, such as the Portugal Exporters Group in 1936,³⁵ with exclusive licenses to export to particular markets. Any exporter wishing to ship to Portugal was required either to be a member of the Company or to ship through one of its members. The Company would negotiate contracts, pool fish from its members, and distribute the net proceeds to shippers on the basis of their contributions to the pool. By 1941 all major markets had been allocated to such co-operative marketing companies. The second stage in national marketing came early in 1943 with the formation of the Combined Food Board in Washington and the appointment of Raymond Gushue as chairman of its fishery committee. The Newfoundland Fisheries Board then created a Marketing Administration Committee, to co-ordinate allocations received from Washington and the supplies available from the various marketing companies. The practical effect was to consolidate marketing into European and Western Hemisphere divisions and to push exporters a further step towards single-desk selling. This was finally realized in 1947 with formation of the Newfoundland and Associated Fish Exporters Limited (NAFEL), to which the Fisheries Board granted an exclusive license to export. NAFEL had no shareholders and earned no profits; it was a co-operative marketing organisation for firms holding a general export license and paying a \$10,000 membership fee.³⁶ The General Manager of the Company was the very able F.A.J. Laws, an Englishman trained in the fish marketing business by Haws & Company of London, who had come to Newfoundland as its representative in the 1920's. In later years NAFEL was attacked as an 'evil cartel' which impoverished fishermen and

sapped business initiative; but there was no significant opposition to its formation in 1947. With all of Newfoundland's competitors, except Canada, operating single-desk marketing, and with most of the markets equipped with government or quasi-government buying agencies, it is difficult to believe a return to competitive and unregulated exporting could have been as effective as the NAFEL organization.

While the industry was well prepared to meet the strains of post-war trade, informed opinion was pessimistic about its future. The "Fisheries Post-War Planning Committee", chaired by the ubiquitous Raymond Gushue, expected a short boom following the war, and then a slump as European production was resumed.³⁷ A major worry was that as a member of the Canadian dollar area Newfoundland would not be competitive in soft currency markets. The Committee concluded, nonetheless, that it was neither feasible nor effective for the country to establish its own currency linked to sterling, and it saw no alternative to "further expansion of the frozen industry (for dollar Markets) . . . to the greatest extent and as rapidly as possible . . ."³⁸ The fisheries committee of the National Convention reached the same conclusion. It admitted that for the immediate future the saltfish trade would have to assume the burden of employment and income, but in the longer term penetration of the American frozen market was essential.³⁹ Peter Cashin, the leading anti-confederate, became almost ecstatic over the prospects: ". . . once we are in a position to market our fresh and frozen fishery products in the United States of America our fishery problems will be finally solved . . ."⁴⁰ The only realistic assessment of this post-war consensus was, unfortunately, being written in the obscurity of Oxford University. Henry Mayo pointed out that the United States tariff was notably unstable; that Newfoundland's bargaining power in the U.S.A. was much weaker than generally assumed; and that technical and economic factors would constrain any rapid transition to fresh/frozen production. What was still worse, Mayo estimated the employment prospects of such an industry to be equivalent to a medium sized pulp mill.⁴¹

Newfoundlanders were not as worried as Canadians about abandoning overseas trade for bilateralism with the Americans. In Canada overseas trade was widely recognized as being essential to the prosperity of certain regions and industries, as well as providing balance against American economic and political power. In Newfoundland realism dictated there was little the country could do to retain overseas markets in the looming post-war economic crisis, and to some extent the old trilateral trade nexus was identified with national collapse. American markets had been seen as a key to national prosperity since the turn of the century and rather than being a threat to independence their development could be a way of avoiding confederation with Canada.

II

Newfoundland's overseas fish trade became embroiled in the same currency and payments problems that beset Canadian exports. NAFEL opened for

business at the end of August 1947 with large European forward contracts negotiated for sterling payment. Britain's almost simultaneous suspension of sterling convertibility presented the Company with a major crisis. Outport members of NAFEL were telegraphed on 2nd September,

For your information nearly half season's production arranged for sale Spain, Italy, Portugal in sterling. However British Government's alteration exchange regulations prevents conversion of sterling to dollars for business with these countries.⁴²

It was expected, however, that Britain would make an exception in Newfoundland's case. Convertibility was fundamental to the country's economic survival, but contributed little to the sterling bloc's dollar problems. Britain, moreover, was still responsible for Newfoundland. But it was difficult for the British to make exceptions in one case without admitting others, and since Iceland and Faroe — two of Newfoundland's European competitors — were members of the sterling bloc, a concession would be especially sensitive. But something had to be done, and at the end of September it was announced "that arrangements are being made for the dollar resources of the Newfoundland Government to be used for conversion of sterling received for sales of fish in Europe".⁴³ This referred to the surplus of less than \$30 million built up during the war and deposited in London. The facility was to apply only to 1947 production fish and was not to exceed \$6 million. The overseas buyers were to establish sterling credits at a London bank, and once its corresponding bank in St. John's took possession of shipping documents, the London bank would pay over the sterling to a Newfoundland Government account established by the Crown Agents for the Colonies. The Newfoundland dollar account in London would then be debited, while NAFEL's St. John's account would be credited with the dollar value of the sale at the sterling-dollar exchange rate prevailing on the day of the deposit.⁴⁴ It was not a happy arrangement. However disguised, Britain was permitting convertibility. The Newfoundland Government was accumulating unwanted sterling and depleting its precious dollar reserves. NAFEL and the fish trade had no assurance the currency crisis would ease for the 1948 season, or that conversion facilities would be available in future years. Nonetheless, the facility removed the immediate obstacle and shipments moved out smoothly in the autumn and winter.

With a seller's market in Europe for all foodstuffs, the Company was successful in establishing the strong marketing posture for which it had been created. Virtually all sales were f.a.s. or f.o.b. Newfoundland ports for irrevocable bank credits against Fisheries Board quality inspection certificates. When Spain proved unable to close on its contracts (because the authorities could not, or would not, provide the sterling or dollars) the allocated fish was smoothly shifted into Italy and Greece without panic or depression of prices. But there were signs that NAFEL's longer term position was less strong. It was noted that Greece was now an Icelandic saltbulk market and would accept NAFEL's Bank fish or Labrador Heavy Salted with reluctance. It was therefore unfortunate that the shipment of Labrador which went to Greece in the winter of

1948 received a stormy reception on the Piraeus docks. NAFEL's representative reported the fish was badly split, slack salted, showing Pink, and possessing tails like "damp cardboard".⁴⁵ But Laws refused to meet the claim by the Greek buyers. He was determined to maintain the new selling policy that buyers must accept the Fisheries Board inspection in Newfoundland as final. The consequence was that the Greeks were convinced Newfoundland fish was no substitute for Icelandic. No commercial sales of any consequence were made with Greece in subsequent years, although since the market was already strongly committed to Iceland a generous settlement on the claim might have made no difference.

Italy was always full of alarums of impending disaster, but the buyers were satisfied with the quality and price of their 1947 imports and they absorbed all the fish NAFEL had to offer.⁴⁶ The Portuguese were difficult customers. They complained endlessly that NAFEL did not supply enough large fish, that the Company's packages fell apart, and that the Gremio's ships were required to load at too many small Newfoundland ports. But underneath this complaining posture, they too were satisfied with their 1947 transactions.⁴⁷ It was Spain that was the real worry. Before the war it was a major consumer of Labrador fish, and this was always difficult to market. Exchange problems blocked shipments to Spain in 1947, however, and the country made no secret of its plans to expand its national fishing fleet.⁴⁸ It was a bad sign for Newfoundland when a large and well established market survived a season without imports, as Spain did in 1947.

NAFEL was free of European competition in the Western Hemisphere and the Canadians, who were not a great worry, were cooperating with NAFEL to reduce competition. While the Brazilian balance of payments was deteriorating in 1947, the northern plantation market absorbed the expected volume of small Madeira. In Barbados, Trinidad, Jamaica and the smaller West Indian markets the governments maintained systems of import subsidies and retail price control. They fussed about prices, volumes and exchange, but the population had to be fed and only Newfoundland could supply large volumes of low grade shore fish. Puerto Rico was the largest and most sensitive of the Caribbean markets. Under a system of wartime price controls the importers had switched into Labrador Semi-Dry, which was cheaper than the Madeira or Thirds which was traditionally consumed. For NAFEL this new Puerto Rican market for Semi-Dry was a godsend, since with Spain closed it was becoming extremely difficult to find any market outside Italy for Labrador fish. But there were difficulties. When price controls were lifted the importers might shift back into hard dried Shore fish, and the Semi-Dry frequently deteriorated upon arrival in the hot climate. In 1947 only NAFEL's strong selling position enabled it to resist Puerto Rican claims on poor quality.

The 1948 production year proved unexpectedly easy to market, largely because there was a poor fishing season in Europe and North America. The ECA programme also eased Europe's exchange problems and NAFEL was able to reduce its drawings on a renewed sterling conversion facility. At the end of the marketing year the Company estimated it "could have quite easily sold another

100,000 quintals . . . if we had had the fish".⁴⁹ In most markets the Company had been able to force a price increase, and the strong selling terms were maintained. But there were less satisfactory underlying trends. The Greeks, who were still angry over their 1947 purchase despite a small settlement on the claim, refused to conclude a contract. The Labrador market in northern Italy was beginning to go the way of the Greeks in demonstrating a preference for European saltbulk, and even southern Italy was beginning to wean itself from the ancient taste for hard dried Shore fish. Italy also proved unexpectedly short of exchange, despite ECA, and contracts were eventually signed only at 1947 price levels.⁵⁰ The Portuguese began negotiations in the spring in a remarkably stubborn mood over exchange, prices and a host of irritants, and only signed contracts when the Gremio, in a panic, suddenly realized there was a world shortage of saltfish.⁵¹ The Spanish were in the midst of trade talks with the British, who persuaded them to allocate £200,000 for Newfoundland fish; but in the end they again refused to release the exchange.⁵² In Puerto Rico the quality problem with Semi-Dry reached crisis proportions, and the Fisheries Board representative expressed fears that the market would be lost.⁵³ Brazil imported larger volumes than in 1947, but it was against a background of deepening payments problems and a major struggle to persuade the Rio authorities to issue import licenses. In the West Indies there was strong resistance to price increases, and the various Food Controllers began searching Europe for supplies of dried scale fish which could be imported for sterling payment.

The world shortage of food supplies had held off the crisis which exploded on the Company in 1949. NAFEL opened the year, much like a modern utility company, with brisk announcements to customers that prices would be increased to meet higher production costs: in the end it was a matter of disposing of stocks at any price.⁵⁴ Everywhere in Europe the September devaluations made Newfoundland fish much more expensive.⁵⁵ In Greece the United States Foreign Trade Administration, which was virtually running the country, was reluctant to authorize the use of aid funds for Newfoundland imports, and the Piraeus importers were not interested in a commercial transaction. The Italian market deteriorated badly. Early in the spring there were signs that northern demand for heavy salted cures would be especially weak,⁵⁶ and in July the Fisheries Board representative reported that the trade authorities had decided not to release dollars for codfish. ECA officials were also strongly opposed to making available any United States aid funds.⁵⁷ Early in September a contract for \$500,000 of Shore fish was finally closed, but at prices below the 1947 level. The lire devaluation in that month wiped out any further hopes of dollar sales, and in the autumn small shipments moved out only through complex and costly barter transactions.⁵⁸ Ottawa or London or both, had been slow to authorize sterling transactions, but in December permission was finally granted and the pace of sales picked up. But shipments of 1949 fish fell to 3.9 thousand metric tons from 8.8 thousand in 1948, and no Labrador fish was moved into Italy. In Portugal the Company opened negotiations, on instructions from Ottawa, for minimum terms of 75% dollars and 25% sterling. Lisbon was completely uninterested and it was not until late September than an authorization was received to negotiate

for 25% dollars and 75% sterling.⁵⁹ The Portuguese were still indifferent, and a contract was not closed until October, for 100% sterling at 1948 price levels.⁶⁰ At the end of the year NAFEL faced a huge stock overhang, and the Portuguese closed another sterling contract at a price discount of 25%.⁶¹ In Spain Ottawa Madrid officials to authorize \$500,000 for imports of Newfoundland fish, but as in previous years the necessary import licenses never reached the importers.

Weakness in European markets inevitably spread to Western Hemisphere markets. In Puerto Rico the importing group demanded that NAFEL award them the exchange benefit which had emerged with the September devaluation of the Canadian dollar. When NAFEL refused the Puerto Ricans slowed down the rate of importation to a virtual halt in December. The Company had no choice but to award the exchange difference to the importers.⁶² In Brazil the long smouldering payments crisis came alight, and the Rio officials firmly prohibited foreign exchange for fish from dollar countries. By the end of the year NAFEL was reduced to shipping on sight draft terms for cruzeiros, with the Exports Credits Insurance Corporation providing reluctant cover.⁶³ Exports to Brazil in 1949 slipped from 6.1 thousand tons to 2.9 thousand. Even in the West Indies the Company was forced to reduce prices in order to keep shipments moving and to fend off emerging European competition.

The modest optimism in which NAFEL had operated during its first two years was broken in 1949, and the Company and industry faced two decades of steady decline. Table 3, column 1 shows the precipitous drop in the volume of shipments by 1954/55. The European markets contracted most sharply, and whereas they absorbed over half of output before the War, by the mid-1950's they took less than a quarter. As Table 4 indicates, declining volumes found no compensation through rising prices. In current dollars the net returns from the industry fell from around \$16 million in 1947/48 to less than \$7 million in 1955/56. In constant 1947 dollars both the aggregate return from the industry and the net realization per metric ton were less than two-thirds that of the immediate post-war years. The expansion of the frozen industry, moreover, proved insufficient to compensate for the collapsing salt trade. Table 5 shows that the current dollar value of all fishery output fell during these years, and the industry's contribution to the value of Newfoundland resource output declined from around 46% in 1947 to some 25% in 1954.

The 1949 crisis was the beginning of a long demoralization. The European markets were never recovered, Brazil was lost and the Western Hemisphere markets severely weakened. In March 1950 one of many trade and provincial government delegations made the journey to Ottawa in search of assistance. In a brief presented to the federal cabinet⁶⁴ the trade argued against the inclination to view saltfish as a dying industry. A United States oriented frozen trade, it argued, could never fully employ the fishing labour force, and a failure to market in Europe would represent a disaster for the province's fishermen. NAFEL asked for \$12 million sterling conversion for 1950 production and for

“Government to pronounce a policy to overcome the existing currency difficulties so as to bring about a measure of confidence with the resulting capital expenditure to maintain the industry.” But the provincial government was somewhat ambivalent, absorbed as it was with prospects for industrial development and happy to see labour transfers from the traditional occupations. The Minister of Fisheries, W.T. Keough stated at Fredericton in February 1950 that Newfoundland’s policy was to concentrate on the United States market for fresh fish,⁶⁵ and this policy coincided perfectly with the growing Canadian view that the country’s exports should be shifted from overseas markets.

The frozen industry expanded sluggishly in the 1950’s and ’60’s⁶⁶ as the old salt sector contracted painfully. The Bank fishery disappeared in the 1950’s as capital re-investment in ships and gear dried up and groundfish production was diverted into the filleting plants. This put an end to Newfoundland’s best hopes for entering the European saltbulk trade. The Labrador floater fishery was abruptly closed at the end of the 1954 season. Market realizations no longer covered production costs and James Sinclair, the Federal Minister of Fisheries, refused any further subsidies.⁶⁷ Saltfish output was therefore cut back to the in-shore catch, particularly of the northern bays where filleting plants were scarce and opportunities for a trawler industry limited by winter ice.

With contracting market opportunities and falling prices, the fisherman’s troubles were quickly translated into an ugly squabble over NAFEL. The Company was seen as a new symbol of oppression by the ‘fishocracy’ and no amount of explanation by the Fisheries Board or NAFEL itself could convince otherwise. Premier Smallwood initially provided the Company with cautious support. In December 1950 he said “I cannot . . . regard the NAFEL organization as being perfect. But we would never be willing to see NAFEL go out unless it could be replaced smoothly by an even better organization if such were possible.”⁶⁸ But his attitude hardened thereafter, and a few months later the House was advised that “the outfit called NAFEL contains some of the scum of the earth.”⁶⁹ In the election campaign in November 1951 the premier served notice “that if the Liberal Government is re-elected we intend to improve on NAFEL” by making it more democratic and much more efficient.⁷⁰ In the summer of 1952 the widely respected architect of the Fisheries Board and NAFEL itself, Raymond Gushue, bailed out of the growing mess and accepted the presidency of Memorial University. With his exit there was no one of equal stature to defend what was left. Harold Horwood, the future novelist, offered a sustained attack against NAFEL in his widely read ‘Political Notebook’ in the St. John’s *Evening Telegram*, with his demand for a socialist or co-operative alternative to organized marketing.⁷¹ Stewart Bates, of the Federal Department of Fisheries, entered the angry debate only to note that NAFEL was not the kind of organization to which Canada was accustomed, but that his Department was reluctant to replace it unless Newfoundlanders proposed an alternative.⁷² Federal Fisheries was not, however, prepared to support the only possible alternative. At the annual meeting of the Newfoundland Federation of Fisheries in November 1953, W.J. Keough presented the provincial government’s desire that Ottawa establish a National

Fish Marketing Board under the National Products Marketing Act.⁷³ With characteristic vigour, Smallwood argued that NAFEL was bringing "ruin, bankruptcy, disaster and starvation" and that government should "kick their teeth in".⁷⁴ He was determined to establish a provincial marketing board if Ottawa would not create a national organisation, but J.W. Pickersgill freshly elected in Bonavista-Twillingate, was exceedingly cool to either proposal. A compromise was reached when Smallwood proposed that marketing responsibility be assumed by C.D. Howe at Trade and Commerce, in whom he had great confidence,⁷⁵ with the remaining responsibilities of the Newfoundland Fisheries Board being transferred to the Federal Department of Fisheries. This decision was announced in April 1954, together with the news that NAFEL was to remain in existence with reduced powers. The Company's control over inter-provincial trade was terminated, and this meant that Newfoundland saltbulk could now be freely sold to Nova Scotia processors, but it retained its exclusive export licence for an additional three years.⁷⁶

Mr. Smallwood informed the press that it was "a fine piece of luck for Newfoundland that Mr. Howe had agreed to accept the Canadian Government's responsibility for the successful marketing of our salted codfish." He had no doubt that "NAFEL will disappear and be replaced by a far superior system of marketing."⁷⁷ The optimism did not prove justified. No serious effort was made to reverse the deteriorating market prospects, and a policy was firmly established not to stimulate the saltfish industry lest this "prejudice the expansion of the freezing industry."⁷⁸ In other fishing countries the cured and fresh/frozen sectors were not regarded as mutually exclusive and simultaneous development of both was held to be essential to a larger and more flexible fishing economy. Smallwood was also wrong when he predicted NAFEL would be replaced by a national fish marketing board. Instead the marketing system so painfully built up in Newfoundland in the 1930's and '40s was dismantled once production volume was down to a level where its absence would not produce chaos. On 31st July 1958 NAFEL received notice from the Minister of Trade and Commerce that its exclusive export license would terminate the following year, and "no reason was given for this decision."⁷⁹ NAFEL survived as a voluntary association of exporters for another ten years until the establishment of the Canadian Saltfish Corporation, but in 1959 domestic competition for markets was resumed. In 1963 the provincial government tried once again to push Ottawa into an effective fisheries policy, but its carefully prepared *National Fisheries Development* submission received a cool response from the Finn Commission in the following year.⁸⁰ It is hardly surprising, in this atmosphere of growing pessimism, that the major Newfoundland firms began to withdraw from the industry. NAFEL began business in 1947 with 33 members and in 1951 it had 34. In that year two firms gave notice of intention to withdraw and by 1958 full membership was down to nineteen. It was the major St. John's firms which withdrew most rapidly, and without their influence, capital and business expertise the whole trade was weakened. It was not, moreover, a case of withdrawing from the salt sector to enter the fresh/frozen, although a few firms made such a transition. For the most part, expansion in the fresh/frozen industry was managed by cor-

porate foods conglomerates, while the old Newfoundland firms retired into wholesaling, retailing and other service industries. Within ten years of Confederation Newfoundland businessmen became characteristically Canadian.

III

In his 1956 presidential address to the Canadian Political Science Association, J. Douglas Gibson, the economist and subsequent General manager of the Bank of Nova Scotia, acknowledged the concern some Canadians felt about the reorientation of their economy towards a dependence upon the United States. This was "primarily the result of fundamental economic changes and not of national economic policies" and for the most part he felt it was a transition Canadians should welcome.⁸¹ Since then a less complacent attitude has grown among many Canadians, if not their bankers, and there is even a growing awareness that the transition from an overseas oriented economy to an American one has distributed costs and benefits unevenly. For the Atlantic provinces with their long-standing North Atlantic connections, the post-war winding down of overseas trade was especially burdensome and not adequately compensated through expanding continental markets. Nova Scotia was obliged to tear-up its apple orchards and plant varieties more palatable to North Americans; the New Brunswick lumber industry fell into several years of depression; and the shipyards and ports of the Maritimes shrank with the decline of the Canadian merchant marine and overseas trade.⁸² Prairie and Central Canadian farmers also faced transition problems with the shrinkage or disappearance of wheat, livestock and dairy markets in Europe. But it was Newfoundland fishermen — and because of their importance to the province — Newfoundland itself, that felt the most severe and long lasting effects from the disintegration of the old North Atlantic economy.

Gibson was no doubt right that Canada's abandonment of overseas markets was not a matter of national economic policy, but neither was it vigorously resisted. With the passage of time and the growth of U.S. corporate control over Canadian commodity production, the ability and inclination to resume an overseas connection was lost. During the post-war crisis Canada had taken the easy route into the United States market. To maintain goodwill and a presence in overseas markets would have required limiting imports from the U.S.A. in favour of overseas suppliers — another 'national policy' and tinkering with market forces which Canadian economists continue to find objectionable.⁸³ For the Newfoundland fishing industry, however, such a policy was essential. The province was centred on a huge international resource, and if Canada did not produce for overseas markets, then consuming countries would expand national fishing fleets to supply themselves. In NAFEL Newfoundland had constructed the nucleus of the kind of organization needed to enter the international trade in fresh/frozen fish products. It had effectively responded to some of the lessons of the inter-war period; but Canada's reluctance to support and build on that experience in the 1950's and '60s contributed to the ruin of the Island's rural economy. That ruin is a small monument to Canada's postwar failure to adjust imaginatively to the withering of the British Empire.

TABLE 3

SALTFISH SHIPMENTS

YEAR	TOTAL SHIPMENTS 000 tons	EUROPEAN SHIPMENTS	WESTERN HEMI-SPHERE	WESTERN HEMI-SPHERE	
				% TOTAL	% TOTAL
1947	58.7	24.7	34.0	42	58
1948	47.4	17.1	30.3	36	64
1949	47.8	17.6	30.3	37	63
1950	38.1	15.5	22.6	41	59
1951	41.7	11.5	30.2	28	72
1952	39.1	8.8	30.3	23	78
1953	29.2	7.0	22.2	24	76
1954	32.5	7.8	24.6	24	76
1955	22.3	5.1	17.1	23	77

Note: Totals indicate the disposal of a production year stock. Thus, the 1950 sales include disposals in 1950, 1951 and even 1952.

Sources: NAFEL, General Circulars, 1947-1956.

TABLE 4

NAFEL NET REALIZATIONS ON SALTFISH SHIPMENTS

FISCAL YEAR	CURRENT VALUES		DEFLATED VALUES, \$1947	
	NET REALIZATION \$million	\$PER METRIC TON	NET REALIZATION \$million	\$PER METRIC TON
1947/48	\$16.1	\$300.20	\$16.1	\$300.20
1948/49	15.3	315.74	12.9	265.22
1949/50	13.3	321.72	10.9	263.81
1950/51	11.6	251.77	8.9	193.86
1951/52	—	—	—	—
1952/53	9.8	275.79	7.1	198.57
1953/54	8.6	267.59	6.3	195.34
1954/55	8.7	265.91	6.5	199.43
1955/56	6.8	282.26	5.0	208.87

THE COLLAPSE OF . . .

Note: Complete data to calculate net realization for 1951/52 is not available. 'Net realization' is the f.o.b. or f.a.s. value of shipments (including the value of packages) less marketing costs and working capital deductions to NAFEL's 'revolving working fund'. In short, it is the net return to fish exporters for sales made by NAFEL. Current values are deflated by the Canadian Wholesale Price Index.

Sources: Calculated from NAFEL, Chairman's Reports, Annual General Meetings, and *General Circulars*, various 1947-1956.

TABLE 5
NEWFOUNDLAND RESOURCE OUTPUT
\$ Million

YEAR	FOREST PRODUCTS	MINERALS	FISHERY PRODUCTS	TOTAL	FISHERY AS % TOTAL
1947	\$23	\$14	\$31	\$ 68	46%
1948	31	16	29	76	38
1949	46	28	30	104	29
1950	49	26	30	105	29
1951	60	32	29	121	24
1952	62	33	28	123	23
1953	61	34	24	119	20
1954	62	43	28	113	25

Note: Prior to 1949 shipments are for fiscal years terminating at the end of June. From 1949 pulp and paper 'shipments' represent value of production (excluding value added by managerial and sales personnel) and therefore slightly underestimate the market value of shipments. Fishery exports after 1949 are estimates made by the Newfoundland Fisheries Board.

Sources: *Historical Statistics of Newfoundland and Labrador* (St. John's, 1970) Vol. 1, Table L-1 and M-2; *Province of Newfoundland, Statistical Background*, (Ottawa, 1949) Table 99; and Department of Fisheries, *Summary Statistics of Canada's Fisheries 1935-54*, Table 1B.

NOTES

¹Much of the research for this paper was done while the author was on sabbatical leave from Memorial University with the assistance of the Canada Council. I am also indebted to Mr. Bill Gillespie for making available to me some of his research in the St. John's newspapers. Keith Matthews was, as always, generous in sharing his deep knowledge of the history of the Newfoundland saltfish trade.

²V.S. Naipaul, *The Overcrowded Barracoon* (London, 1972), p. 270. There is irony in the recent suggestion by the Government of Mauritius that the United Nations move its headquarters from New York to Port Louis.

³See W.G. Demas, *The Economics of Small Countries* (Montreal, 1965).

⁴David Meredith, "The British Government and Colonial Economic Policy, 1919-1939", *Economic History Review* XXVIII, No. 3, 1975, p. 494.

⁵*Ibid.*, Table 5.

⁶Calculated from R.A. MacKay Ed., *Newfoundland: Economic, Diplomatic and Strategic Studies* (Toronto, 1946), Appendix B.

⁷Calculated from M.C. Urquhart and K.A.H. Buckley, *Historical Statistics of Canada* (Toronto, 1965), Series E8 and F243.

⁸The following analysis is based upon calculations from *Canada Year Book* (Ottawa, 1950), p. 908 and *Newfoundland Customs Returns, 1947/48*, p. 7. The index of dissimilarity was used for ease of calculation. It is usually highly correlated with the Gini index, with the value of 'D' being the sum of positive differences in the rows of two distributions. It assumes values between 0 and 1 for ranks which are respectively identical and totally dissimilar.

⁹Meredith, "Colonial Policy", *op.cit.*, Table 3, p. 491.

¹⁰For a succinct treatment of these international developments, see A.G. Kenwood and A.L. Lougheen, *The Growth of the International Economy, 1820-1860* (London, 1971).

¹¹S. Ryan, *The Newfoundland Cod Fishery in the Nineteenth Century* (Unpublished M.A. thesis, Memorial University, 1971).

¹²G.S. Watts, "Some Longer-Term Factors in the Canadian Balance of International Payments", *Canadian Journal of Economics and Political Science*, Vol. XVI, 1950, p. 16. Hereafter cited as *CJEPS*.

¹³J.L. Granatstein, *Canada's War : The Politics of the Mackenzie King Government, 1939-1945* (Toronto, 1975) traces the hard-faced bargaining on both sides that lay behind the common cause.

¹⁴See G. Clayton, "The Development of British Exchange Control, 1939-1945", *CJEPS* Vol. XIX, 1953; and Alan O. Gibbons, "Foreign Exchange Controls in Canada, 1939-51", *CJEPS*, Vol XIX, 1953.

¹⁵F.A. Knox, "Some Aspects of Canada's Post-War Export Problem", *CJEPS*, Vol. X, 1944.

¹⁶This is described in "Canadian Export Policy", *The Economist*, 12th January 1946, p. 59.

¹⁷In these years the *Economist* was highly critical of the United States and appreciative of the enlightened wisdom of Canadian efforts. See "Dollar Crisis", *The Economist*, 1 September 1945.

¹⁸"Canadian Export Policy", *The Economist*, 12 January 1946, p. 59.

¹⁹This now included Argentina, Belgium, Brazil, Holland, Italy, Norway, Portugal, Spain and Sweden, several of which were critical export markets for Newfoundland salt fish.

²⁰Including Austria, China, Denmark (excluding Faroe), France, Greece, Switzerland and Eastern European countries.

²¹*The Economist*, 20 September 1947, p. 496.

²²See J. Douglas Gibson, "Post-War Economic Development and Policy in Canada", *CJEPS*, Vol. XX, 1954, pp. 446-448.

²³*Ibid.*, p. 447.

²⁴*The Economist*, 6 September 1947.

²⁵"Canada's Economic Future", *The Economist*, 10 January 1948, p. 45.

²⁶"ECA and Canadian Wheat", *The Economist*, 23 April 1949.

²⁷"The Exchange Adjustments", *The Economist*, 24 September 1949, pp. 680-681.

It was the size of the devaluation which caught the world by surprise, since the forward rate on sterling in New York indicated a discount of no more than 20%. If Britain had devalued by no more than that, it is unlikely the Canadian dollar would have been adjusted from par with the U.S. As it was, the 10% Canadian adjustment represented a departure from the traditional practice of adjusting mid-way between sterling and the U.S. dollar.

²⁸See *Canadian Historical Statistics*, Series F334-341.

²⁹"Canadian Loan Freed", *The Economist*, 29 January 1949, p. 210.

³⁰In 1947 Newfoundland NNI/capita was about \$300, compared with around \$650 (at prevailing exchange rates) in the beleaguered United Kingdom and \$825 in Canada. Calculations from Dominion Bureau of Statistics, *Province of Newfoundland: Statistical Background* (Ottawa, 1949), Table 105; *Historical Statistics of Canada*, Series E8; and B.R. Mitchell and P. Deane, *Abstract of British Historical Statistics* (Cambridge, 1962), p. 368.

³¹Calculated from D.B.S., *Province of Newfoundland*, Table 99.

³²A large fraction of fish shipments to North America were also destined for soft currency markets as re-exports.

³³Average physical productivity per fisherman persisted for decades at around 45/50 quintals a year.

³⁴*Statutes of Newfoundland*, Act No. 11, 1936.

³⁵The details of the development of co-operative marketing can be traced through the official *Minutes* of the Newfoundland Fisheries Board, held in the archives of the Maritime History Group, Memorial University.

³⁶The extensive company records of NAFEL are held in the archives of the Maritime History Group, Memorial University.

³⁷Newfoundland Fisheries Board, *Report of the Fisheries Post-War Planning Committee* (St. John's, 1946), p. 71.

³⁸*Ibid.*, p. 72.

³⁹*Report of the Fisheries Committee of the National Convention* (St. John's, 1947), p. 7.

⁴⁰*Report of the Finance Committee of the National Convention* (St. John's, 1947), p. 27.

⁴¹H.B. Mayo, *Newfoundland and Canada: The Case for Union Examined* (Unpublished D. Phil. thesis, Oxford University, 1948), pp. 202-209.

⁴²NAFEL, *General Circular*, 5th September, 1947.

⁴³*Ibid.*, 6th October, 1947.

⁴⁴Most of the details are recorded in NFB to NAFEL, 13 October 1947, C-L (47) 44. The legislation authorizing the conversion was *The Salt Codfish (Trade Facilities) Act*, 1947, No. 36.

⁴⁵Hawes to NAFEL, 19 April 1948, C-F (48) A61.

⁴⁶*Ibid.*, 23 March 1948, C-F (48) A66.

⁴⁷NAFEL, *General Circular*, 12th November, 1947, and various letters of Hawes to NAFEL, C-F (48) A68.

⁴⁸Hawes to NAFEL, various correspondence in C-F (47) 79 and C-F (48) A70.

⁴⁹NAFEL, *General Circular*, 30th March 1949.

⁵⁰Ibid., 20 August 1948.

⁵¹NFB to NAFEL, 9 October 1948. The Gremio was the importer's guild.

⁵²Hawes to NAFEL, 29 June 1948, C-F (48) A70.

⁵³E. Templeman, *Annual Report*, April 1949.

⁵⁴The terms of union negotiated with Canada in 1948 provided for a continuation of Newfoundland fishery laws for five years, and under this NAFEL's exclusive trading position was protected.

⁵⁵Hawes to NAFEL, 26 September 1949, C-F (49) B37.

⁵⁶Hawes to NAFEL, 12 May 1949, C-F (49) A46.

⁵⁷Strong to NFB, 7 July 1949, C-F (49) B77.

⁵⁸NAFEL, *General Circular*, 19 November 1949.

⁵⁹Ibid., 23 August, 1949.

⁶⁰Hawes to NAFEL, 5 October 1949, C-F (49) B4 0(i).

⁶¹NAFEL, *General Circular*, 14 March 1950.

⁶²NAFEL to Badrena, 21 December 1949, C-F (49) B3.

⁶³H.T. Aitken to NAFEL, 19 October 1949, C-F (49) B19.

⁶⁴"A Memorandum Regarding Sterling Convertibility for 1950 Newfoundland Salt Fish Production," in NAFEL, *General Circular*, 14 March 1950.

⁶⁵St. John's *Evening Telegram*, 6 February 1950.

⁶⁶The value of fishery exports in 1947 was around \$31 million compared with a value of fishery products (less bait) in 1967 of some \$59 million. Quite apart from the effects of inflation on real values, the gain is hardly impressive since an equal increment in values had been achieved in the forest products sector by 1949 and in the mining industry by 1954.

⁶⁷NFB, *Minutes*, 5 July 1954.

⁶⁸*Evening Telegram*, 5 December 1950.

⁶⁹Ibid., 14 April 1951.

⁷⁰Ibid., 10 November 1951.

⁷¹Ibid., 29 October 1952.

⁷²Ibid., 5 November 1952.

⁷³Ibid., 2 November 1953.

⁷⁴Ibid., 27 January 1954.

⁷⁵J.W. Pickersgill, *My Years with Louis St. Laurent* (Toronto, 1975), pp. 223-224.

⁷⁶An associate membership, with a much reduced entry fee, was also imposed, presumably to soften the 'monopolistic' characteristics of the organisation. Few small firms applied for entry under these terms, preferring to continue marketing through the larger firms.

⁷⁷NAFEL, E-GM (52) 1.

⁷⁸Canada, *Commission of Enquiry into the Atlantic Salt Fish Industry* (Ottawa, n.d.), pp. viii-x.

⁷⁹Chairman's Report, E-GM (58) 2.

⁸⁰Newfoundland, *National Fisheries Development: A Submission by the Government of Newfoundland to the Government of Canada* (St. John's 1963), and Canada, *Commission of Enquiry*, op. cit.

⁸¹J. Douglas Gibson, "The Changing Influence of the United States on the Canadian Economy", *CJEPS*, XXII, 1956, pp. 422-423.

⁸²See J.R. Petrie, "The Impact of the Sterling Dollar Crisis on the Maritime Economy", *CJEPS*, XVI, 1950.

⁸³See R.J. Wonnacott, "Industrial Strategy: A Canadian Substitute for Trade Liberalization", *Canadian Journal of Economics*, Vol. VIII, 1975, pp. 536-547.