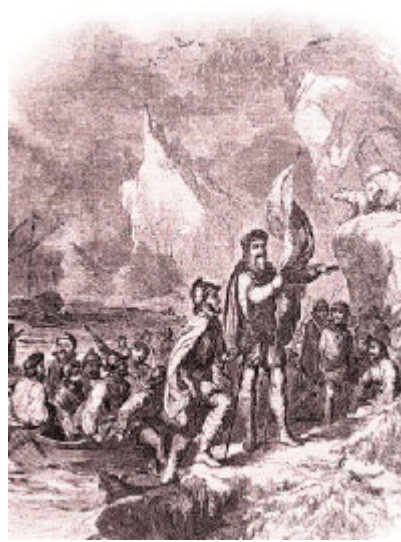




Written by [Charles Scaliger](#) on August 26, 2011

Netting Newfoundland's Prosperity

Although there is some disagreement as to where Cabot and his crew made landfall, the most likely spot is somewhere on Newfoundland's Bonavista Peninsula. They apparently went ashore only once, to take in water, plant a flag claiming the land for the British crown, and explore near the sea shore — although they did not go inland “beyond the shooting distance of a crossbow,” according to one letter from the period that described the expedition. They did find evidence of human occupation — some fishing nets, a tool, and the remains of a fire, doubtless left by the Beothuk Indians who lived there — but did not meet any living human beings. John Cabot and his small crew were probably the first white Europeans to set foot on North American soil since the Vikings 500 years earlier.



Cabot and the *Matthew* then explored the coast for some considerable distance before setting sail back to Europe, arriving in Bristol on August 6. As news of Cabot's discovery spread, the Italian sailor was feted and awarded a pension by Henry VII. Cabot's discovery is usually reckoned the starting point of the British Empire, a fact given legal countenance in August 1583, when Sir Humphrey Gilbert officially claimed Newfoundland as England's first overseas colony under Queen Elizabeth I.

John Cabot disappears from history after his storied discovery. He arranged for another, longer voyage of exploration across the western ocean, but we have no information as to the fate of that enterprise, although it is assumed to have been lost at sea.

As for the place Cabot discovered, Newfoundland, although further south than Ireland, had a far less hospitable climate than the British Isles and little agricultural potential on most of its windswept, rocky coast. Moreover, as subsequent explorers found out, the native Beothuks were none too friendly. As a result, Newfoundland attracted nothing like the rush of settlers that came to the more southerly parts of the eastern North American coast.

Cache of Codfish

However, John Cabot's expedition did discover one important fact about Newfoundland, which did catch the attention of profit-minded Europeans: The waters around the island teemed with fish. And not just any fish; Cabot discovered cod in quantities beyond anything found on the European side of the Atlantic. Wrote one contemporary, apparently referring to what Cabot had told him in person, “The sea there is swarming with fish, which can be taken not only with the net, but in baskets let down with a stone, so that it sinks in the water.”

The reason for the abundance of cod was the Grand Banks, an enormous expanse of shallow ocean atop



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a broad extension of the North American continental shelf off the southeast coast of Newfoundland. This area is where the cold, iceberg-bearing Labrador Current from the north meets the warm Gulf Stream, creating upwellings that stir up nutrients from the sea bed and attract vast schools of fish, particularly capelin and cod, as well as whales and the other sea creatures that feed on them.

Atlantic cod is no ordinary fish. In the late Middle Ages, it became a staple across much of Europe as European fishermen, particularly the venturesome Basque, learned how to salt cod and transport it back to European markets. Cod could be found in great abundance and often grew to considerable size — six feet or more in length. They were slow moving and easy to catch in large numbers. Salt cod became Europe's cheapest source of protein.

Newfoundland cod spawned out to sea on the Grand Banks in vast schools, while other populations of the fish teemed in waters from Labrador all the way down to the coast of New England. After spawning, cod moved to the coasts in vast numbers, pursuing enormous schools of capelin, a type of smelt from the far north. When the capelin "rolled" onto Newfoundland's beaches by the countless millions to spawn each summer, they brought with them enormous schools of cod, which fishermen could catch with their bare hands if they lacked nets and lines. Cod were the perfect commercial fish.

Flocking to the Fish

When word of Newfoundland's rich cod fisheries spread, the cod rush was on, with fishing fleets from Spain, Portugal, France, England, and elsewhere jostling for control of the Grand Banks fisheries. Further south, it was the promise of the cod fisheries of New England and Nova Scotia that drove much of the early settlement of those coasts.

At the same time that the cod fishery attracted Europeans to Newfoundland, however, it tended to discourage permanent settlements there. The British, French, and other governments with interests in the area tried to keep Newfoundland as a purely commercial venture, with year-round settlement actively discouraged. For more than a century, the British saw no need to appoint a Governor or any other magistrates for Newfoundland; when a Governor finally was appointed, he promptly began a program of deporting Newfoundland's few thousand permanent settlers. Because Newfoundland lacked the more hospitable climate of New England, there was no pressure from would-be immigrants other than hardy fishermen. The island remained largely a wilderness, with a few fishing centers, like St. John's, Trinity, and Twillingate clinging to the storm-battered coast but little else besides caribou and a dwindling population of Beothuk natives elsewhere.

Some European settlers avoided deportation by hiding inland during the autumn and winter months, guaranteeing a permanent, if tenuous, European presence on many parts of the island. But in stark contrast to what later became the Canadian Maritime Provinces and the American colonies further south, the European colonial powers made no effort to encourage the large-scale settlement and the development of civil society in Newfoundland. Her riches were in her offshore waters, and the British in particular had no intention of using Newfoundland for other than purely commercial purposes.

In spite of this, European presence gradually grew in Newfoundland. The French lost all territorial claims to the island as a result of the Seven Years' War, although they were awarded as a consolation prize sovereignty over two tiny islands off Newfoundland's south coast, St. Pierre and Miquelon, which remain French territory to this day. By the beginning of the 19th century, the population of Newfoundland numbered in the tens of thousands, with isolated fishing towns and villages on every coast, from the barrens of the Great Northern Peninsula to the lush forests of the west coast on the Gulf



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of St. Lawrence.

Newfoundland (including the even more northerly region of Labrador, a chunk of the North American mainland that explorer Jacques Cartier had once famously characterized as “the land God gave to Cain”) remained a separate Crown territory with few ties to the rest of British America, which came to be known as Canada. When Canada was officially formed as a confederation of three British North American colonies in 1867, Newfoundland did not join, remaining a separate Crown colony and, eventually, a full-fledged Dominion, until 1949.

All this time, Newfoundland’s destiny was intertwined with the codfish; indeed, in the Newfoundland dialect of English, “fish” is synonymous with “cod.” Though both Newfoundland and Labrador were fairly blessed with minerals like nickel and iron ore and vast forests that lent themselves to a significant timber industry, it was the cod, abundant as ever, on which the livelihood of Newfoundland’s hardy, self-reliant population depended. Much of the cod fishing through the 19th and into the 20th century was primarily “inshore,” accomplished from dories or small vessels that seldom ventured beyond the larger bays, like Trinity and Conception, which punctuated the Newfoundland coastline. With the annual rush of cod during the summer months coming to the coast in pursuit of capelin, many Newfoundlanders had no need to venture into the deep ocean. Much of the cod fished on the Grand Banks was taken by foreign vessels, but because the supply of cod seemed inexhaustible, no one minded.

Way Out of Wealth

In the mid-20th century, however, two events occurred that were to change Newfoundland forever, and not entirely for the better: confederation with Canada and the invention and deployment of a new generation of ocean liner-sized factory ships, which used the latest technology to trawl the ocean floor with winched nets that could haul in hundreds of tons of cod at a time.

Newfoundland had achieved dominion status — had become a self-governing colony — in 1907, but by the 1930s her finances were in serious disarray. As a result, the Newfoundland legislature voted itself out of existence and a caretaker Commission of Government was appointed. After World War II, many Newfoundlanders, resentful of the commission, sought to change Newfoundland’s status. Three options were considered in lieu of the commission: full independence, confederation with Canada, and (though this was not given the prominence of the other two) some kind of political union with the United States. After an initial referendum was held, it was clear that the two most popular choices were full independence and confederation with Canada. The latter option was promoted vigorously by an energetic young politician on the make, avowed socialist Joey Smallwood. In no small measure because of Smallwood’s force of personality, when a second referendum was held, confederation with Canada carried the day by a margin of roughly 52 percent to 48 percent.

It was a decision to have fateful consequences for the place the rest of Canada referred to informally (and a bit derisively) as “the Rock.” The socialist Joey Smallwood was elected Newfoundland’s first Premier, and he proceeded to attempt, as socialists of every stripe are wont to do, to remake Newfoundland “nearer to the heart’s desire,” using the power of the state as a weapon of so-called “reform.”

Smallwood grew up in St. John’s, and had a city man’s suspicion of rural lifestyles, including the small-scale fishing that powered most of Newfoundland’s economy. As a young man, he lived in New York City for five years, where he worked for a major socialist newspaper, *The Call*, to whose pages the likes of



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Eugene Debs and Margaret Sanger also contributed. Upon his return to Newfoundland, Smallwood, on a mission to reform “backwards” Newfoundland along socialist lines, immersed himself in local politics. By the time the opportunity for confederation with Canada arose, Smallwood was well-positioned to turn Newfoundland into a proving ground for his long-held socialist ideals.

Like most 20th-century socialists, Smallwood was an apostle of planned industrialization. He perceived the small-scale fishermen (“baymen,” they were called) of Newfoundland’s “outports” as a hindrance to development. The future of Newfoundland’s cod fisheries, Smallwood believed, lay in large-scale fish factories and commercial trawling, not in the more modest centuries-old fishing practices of Newfoundland. With the self-importance typical of politicians who believe in the sanctifying power of government, Smallwood infamously told Newfoundland’s fishermen to burn their boats, because the industries and jobs that he would create in Newfoundland would soon make the modest life of a bayman obsolete.

At the beginning of Smallwood’s first premiership (he was reelected six times), only about half of all Newfoundland homes had electric power, and many outports, especially along the east and south coasts, were inaccessible except by boat. Newfoundland’s coastline is riven by hundreds of bays and inlets, making the construction and maintenance of coastal roads a challenge even in this century. In Smallwood’s time, the socialist solution to Newfoundland’s intractable geography and allegedly backwards outport lifestyle was obvious: resettlement.

Using money from Ottawa, Smallwood embarked on a program of rural depopulation, closing down scores of small fishing villages all over Newfoundland by refusing to contemplate extending services like electricity and offering a cash inducement to move into one of Newfoundland’s population centers. Smallwood’s intention was to use the influx of newly resettled Newfoundlanders to fill the urban factories that would be erected, but the promise of industrialization, despite Smallwood’s efforts, failed to materialize on anywhere near the scale that he envisioned. Many resettled Newfoundlanders found urban life far less than it had been cracked up to be and pined to return to their homes that had been left to crumble away under Newfoundland’s relentless coastal gales. Even today, decades later, the Newfoundland coast is dotted with melancholy ghost towns from a fishing culture that will never be restored. As one Newfoundland songwriter regretfully summed it up:

Those men who quote figures and count the cause lost,
They see only the high seas and the lives it has cost;
They don’t see the life as we know it to be,
Like the sea gulls who follow on freedom.
So they cheat us and they rob us and continue to say
That our only salvation is leaving the Bay.

With the forced demise of Newfoundland’s small-scale family fishing economy (an eerie parallel to the demise of America’s family farms), Smallwood and his political allies and successors sought to impose large-scale industrialization on the fisheries. Huge fish processing plants were erected and gigantic new “factory ships” from many nations trawled the Banks, increasing the codfish haul by several orders of magnitude. These gigantic ships had the capacity to fillet, freeze-dry, and store codfish on board, allowing the boats to stay at sea for weeks at a time, catching cod seven days of the week, 24 hours a day.



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By the 1970s, though, one cod-fishing nation, Iceland, tired of seeing her fish stocks depleted by foreign vessels, unilaterally extended her territorial waters from 16 to 200 miles offshore. This so-called Economic Exclusion Zone triggered a tense, sometimes military, standoff with ever-imperious Great Britain. Icelandic Coast Guard cutters began confronting British vessels that deliberately defied Iceland's exclusion zone, until Iceland threatened to close a critical NATO base. When the British finally backed down, other countries, including Canada, began to adopt the same 200-mile limit.

But whereas Iceland took steps to manage its cod fisheries to allow the badly depleted population to rebound from 20 years of unbridled factory fishing, Canada did precisely the opposite. When, in 1977, the new 200-mile exclusion zone in Atlantic Canada denied access to foreign trawlers to all but a tiny corner of the already badly overfished Grand Banks, the Canadian government proceeded to construct a massive trawler fleet of her own to pick up the slack left by departing foreigners.

About this time, those who remained of Newfoundland's inshore fishermen began noticing drastic declines in the numbers of codfish. Their warnings to the government to halt large-scale factory fishing on the Banks went unheeded, however. Political pressure to maintain the level of fishing sufficient to keep Newfoundland's gigantic fish plants running was irresistible.

By the late 1980s, the codfish, which had once teemed in the seas around Newfoundland in unimaginable abundance, were all but gone. This magnificent animal, whose abundance in the northwest Atlantic had been largely responsible for the European discovery and early colonization of coastal northeastern North America, had practically disappeared from the Grand Banks and other areas around Newfoundland (as well as in other areas further to the south). In 1992, the Canadian government closed the Grand Banks and imposed a moratorium on commercial cod fishing — a moratorium that, despite promises of a 10-year sunset, remains in place, although Newfoundlanders are now allowed five weeks of recreational cod fishing during the late summer and fall. Many of the huge fish plants were shuttered, costing Newfoundland tens of thousands of jobs.

"Newfies" Nowadays

Today, most Newfoundlanders who manage to make a living from her once-fecund waters catch lobsters and crab. The cod population appears to have rebounded significantly, but the powerful environmentalist lobby, both nationally and internationally, is loath to allow Newfoundlanders to return to the cod fisheries their forefathers plied. Ironically, Newfoundland (like the rest of Canada) is experiencing an economic boom driven by Alberta oil. Tens of thousands of Newfoundland men now work in the oil sands of the Canadian west for extraordinarily high salaries, then return to Newfoundland flush with cash. The Hibernia oil field off Newfoundland and the mineral riches of Labrador have also contributed to weaning Newfoundland from dependence on fishing.

But the modern history of Newfoundland, the place where the history of Europeans in North America began, has been a tragedy of government mismanagement driven by socialist visionaries like Joey Smallwood and his ideological fellow-travelers. Although Newfoundlanders had discovered for themselves, over generations of experience, that the best way to fish for cod was inshore, using traditional fishing techniques, the government — made up, as governments so often are, of self-styled bureaucratic "experts" with no firsthand experience in the private-sector activities they micromanage — had a different vision. The pervasive socialist bias for industry over craft, for urban over rural, and for jobs over livelihood that has tragically disfigured so many economies (including our own) drove ideologues like Smallwood to attempt urbanization and industrialization to a part of the world far better suited to the small-scale and the traditional.



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The destruction of the cod fisheries is also attributable to the so-called “tragedy of the commons,” although not in the sense usually intended by modern environmentalists. It is certainly true that on the high seas, where property rights are void, there is no incentive to manage a resource like cod fisheries sustainably. With modern technology now providing the means to catch nearly all of the cod, all of the time, countries have every incentive to catch all the fish before others do. The 200-mile exclusion zone was a step in the right direction, allowing countries like Canada and Iceland say over their own codfish stocks, but it was a far cry from settling the problem.

Bringing the incentives of private ownership into fishing would be a better approach. Something along these lines is already done with lobsters and crab, where Newfoundlanders own the rights (at no insignificant cost) of dropping their traps in assigned areas. Such quasi-private ownership of the crab and lobster fisheries has meant that fishermen have strong incentives not to overfish and not to disrupt breeding cycles, allowing the stocks over which they have stewardship to replenish themselves. In the case of more mobile creatures like cod, of course, the solution might not be so straightforward. But merely allowing commercial fishing inshore once again — where the capelin, and, presumably, the cod that follow them, remain numerous — would not disrupt the cod’s breeding cycle. And fishing quotas on the Grand Banks for private vessels, akin to how Alaska’s coveted stocks of king crab are managed, would at least allow this marvelous resource to once again be put to use for the benefit of Newfoundland.

Newfoundland has always taken pride in her independence and her distinct culture. Even now, a substantial percentage of Newfoundlanders would prefer independence from Canada. And while today former fishing centers like Bay Bulls and Twillingate cater primarily to tourists looking for whales and icebergs, Newfoundlanders continue to hope that the day will come when her rugged baymen can once again put out to sea to find the fish that brought Europeans from the Old World to the New.



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