

There have also been significant discoveries in the Labrador Margin, five gas and one oil strike since 1971, but they have not been close enough together to make them commercial.

All in all the future seems promising. Commercial production is expected to begin in the 1990's. Natural gas estimates run between 20 trillion and 300 trillion cubic feet, with the lower estimate considered close to a certainty.

At the moment, however, progress is hampered by an ownership dispute. The federal and provincial governments both claim the offshore fields and control of the eventual huge tax revenues. Newfoundland's highest court last winter ruled in favour of the federal position, but the issue is still before the Supreme Court of Canada.

The Fisheries

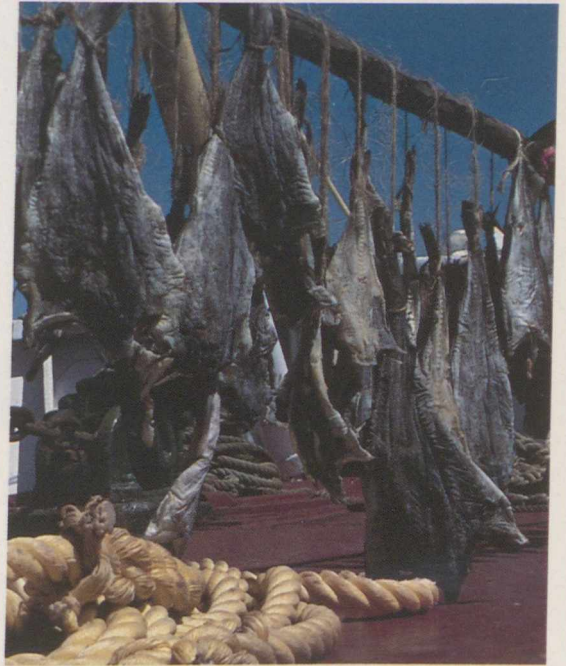
When John Cabot found the New Isle he noted that fish could be dipped up in a basket. It is still possible to catch caplin in buckets or to scoop them up on beaches in early summer.

The fisheries—the greatest in the world—have been the basis of Newfoundland's economy since Cabot's day and they are so still.

For some centuries the boats hauled in great quantities of fresh fish which were salted and dried. The villages had acres of cod flaked out on wooden frames drying in the crisp air. They were sold very cheaply. The development of modern freezer boats meant that fish could be frozen immediately, but technology brought problems. Foreign flag fishing factories came and stayed for months. The huge vessels swooped into a fishing area, hauled in fish, processed them and froze them, then moved on after they had depleted the resource. That problem was met when Canada (and the United States as well) extended control of the fishing grounds to two hundred miles offshore. The extension led to strict conservation controls which would give the local fishermen the major share.

It seemed the opportunity the industry had been waiting for. The number of small inshore boats expanded rapidly. New processing plants were built, and then the bubble broke. Recession and high interest rates added enormous and unexpected costs. A special Task Force on Atlantic Fisheries studied the problems which affect fishermen in all the Atlantic provinces and made recommendations in February 1983. Some recommendations—such as a continuing emphasis on high quality—were adopted at once, but the more involved ones were discussed at length. Meanwhile the major market in the United States grew slack and the value of the catch dropped. By year's end it would total \$122.8 million, down from \$140.9 in 1982.

Last summer the federal government moved in with a plan to merge three firms, the province's two largest, Fishery Products Ltd. and Lake Group Ltd., and the smaller firm of John Penney & Sons Ltd. Together they had sixteen plants and sixty-eight trawlers. The reorganization plan was debated by the fishermen's union, the provincial government, the companies, and the Bank of Nova Scotia, the major creditor. Last fall a settlement emerged, involving recapitalization and a restructuring that it is hoped will streamline processing and put new life in the old industry.



Cod drying in the sun.

A Short History

John Cabot sailed from Bristol to Newfoundland in 1497, and an entry in the Crown's Privy Purse expenses proves it: "To hym who found the New Isle 10 pounds."

Sir Humphrey Gilbert came in 1583 and made formal claim on behalf of the Queen. By that time the island was "very populous and much frequented" by fishermen, part pirates, part traders. They were from a half dozen European countries and no one was in charge.

Trinity Bay became an English settlement in 1558 and John Guy established the first chartered colony at Cupids Harbour in Conception Bay in 1610.

The first fishing admiral—the master of the first English ship to arrive in the spring—took over the same year and was responsible for maintaining some kind of peace and order.

The system was formalized under William of Orange, and it lasted until 1711 when Captain Henry Osbourne became the Naval Governor. The