

GASPÉ OF YESTERDAY

AT THE COMPANY STORE

A study of the "truck" system of
payment to Gaspé fishermen in the
era of the Channel Islands firms.

KEN ANNETT

"AT THE COMPANY STORE"

PREFACE

The title above reflects the phrase used by veteran newscaster, Harvey Kirck, in the video, "Gaspésie, Quebec", to describe the "Truck" system of payment to Gaspé fishermen in past years. It was a system that has drawn criticism from a number of authors of Gaspesian history-in some cases without much evident research or background study.

The economic and historic importance of the Gaspesian fishery has been a recurrent theme of the "GASPÉ OF YESTERDAY" series. Long before Europeans reached our shores the Amerindian peoples had long exploited the riverine and coastal fishery of the peninsula as an integral part of their native life-style.

The sails of Basque fishermen and whalers appeared in our waters some 500 years ago and these unique and intrepid fisherfolk dried their catch on our beaches during the summer seasons. In time they were followed by the fishermen of coastal France - Bretons and Normans in particular, who made the great pierced rock of Percé their Canadian landfall and who spread out from there to develop fishing rooms along the coast of Gaspesia. Indeed, such activity preceded the arrival of Jacques Cartier and the formal claim to New France.

During the 200 years of the French regime the story of the Gaspesian fishery has been traced in "GASPÉ OF YESTERDAY" articles on the Denys family, the projects of Denis Riverin, the award of seigniories, such as that of Lefebvre de Bellefeuille and others. As French settlement grew in the St. Lawrence valley a local market expanded for the dried cod of Gaspesia. Former seasonal fishing stations became more permanent communities.

PREFACE

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After 1760 the new British regime witnessed the arrival of entrepreneurs from Jersey and Guernsey to develop the Gaspé fishery. The company names of Janvrin, Simon, Robin, LeBoutillier, Fruing, gradually became household names in Gaspesia. Major fishing stations, such as Paspébiac, Percé and Grand Grève developed to support and sustain an international trade in cod. Subsidiary industries such as ship-building and repair, cooperage, and the making of nets, trawls and other fishing needs grew up about the fishing stations.

In general, under the prevailing "Truck" system then in operation the fishermen obtained their goods from "the company store" and paid for them with the fish they caught. Were the Gaspé fishermen exploited? As a contribution to the answer of this question "GASPÉ OF YESTERDAY" presents the findings and opinions of Rosemary E. Ommer, an outstanding authority on the Maritime Fishery, as published in the learned journal, *Acadiensis*.

AT THE COMPANY STORE

ROSEMARY E. OMMER

The Truck System in Gaspé, 1822-77*

SCHOLARS WORKING IN THE ECONOMIC HISTORY of the eastern Canadian fisheries, particularly but not exclusively those of Newfoundland, have long been familiar with the received wisdom, elevated almost to the status of a mythology, on the merchant truck system. The inshore fishermen of the 19th (and, in Newfoundland, the first half of the 20th) century were tied to the local merchant by bonds of indebtedness: so runs the over-arching thesis.¹ Variations on and around this theme are to be found throughout the literature, ranging from Harold Innis' complex picture of monopoly control of production in an international commercial empire directed by West Country merchants (Newfoundland) and Channel Islanders (Gaspé) to my own supplementary explanation of the nature of property rights in an open access resource;² political power and conservative elites have sometimes been part of this interpretation, and government reports have endorsed it.³ There has been a general consensus that the end result was a serious retardation of economic development, although assessments of how much development potential existed in a fish-staple based economy vary considerably.⁴ Virtually all of these studies have dealt with the

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- 1 Gerald M. Sider, "The ties that bind: culture and agriculture, property and propriety in the Newfoundland fishing village", *Social History*, 5 (January 1980), pp. 1-39; Gerald M. Sider, *Culture and Class in Anthropology and History: a Newfoundland Illustration* (Cambridge, 1986).
- 2 Harold A. Innis, *The Cod Fisheries: the History of an International Economy* (rev. ed., Toronto, 1954); Rosemary E. Ommer, "All the Fish of the Post: Resource Property Rights and Development in a Nineteenth Century Inshore Fishery", *Acadiensis*, X, 2 (Spring 1981), pp. 107-23.
- 3 D.W. Prowse, *A History of Newfoundland From the English, Colonial and Foreign Records* (1895, reprinted Belleville, Ontario, 1972); James K. Hiller, "The Newfoundland Credit System: an Interpretation", in Rosemary E. Ommer, ed., *Merchant Credit and Labour Strategies in Historical Perspective* (Acadiensis Press, forthcoming); *Report of the Commission of Enquiry Investigating the Seafisheries of Newfoundland and Labrador other than the Sealfishery* (St. John's, 1937); *Building on Our Strengths: Report of the Royal Commission on Employment and Unemployment* (St. John's, 1986).
- 4 See, for example, Rosemary E. Ommer, "What's Wrong with Canadian Fish?", in Peter R. Sinclair, ed., *A Question of Survival: the Fisheries and Newfoundland Society* (St. John's, 1988), pp. 23-44; Rosemary E. Ommer, *From Outpost to Outport: a structural analysis of the Jersey-Gaspé codfishery, 1767-1886* (McGill-Queen's University Press, forthcoming), esp. chs. 5 and 7; David Alexander, "Development and Dependence in Newfoundland", in E.W. Sager, L.R. Fischer and

truck system either as a given, or else as something to be analysed descriptively, through quotations from contemporary documents, oral evidence from informants in the field, or by reference to the previous literature.⁵ Very little has been done to assess the nature of the merchant system on the coast using the data that are to be found in the ledgers of the merchant firms themselves, and nothing to assess the presumed origins of this colonial mercantile 'truck system' in the Old World: we do not even really know if it was, indeed, a genuine truck system in which compulsion to purchase at the company store was present in some form.

Roch Samson's partly quantitative study of the firm of Hyman's of Gaspé does move beyond earlier impressionistic work on truck in the fishery. His work is innovative and important, but it is restricted in three crucial ways. First, the firm of Hyman's was small (never more than 120 hired workers and usually many fewer); second, it was heavily dependent for imports into the fishery and for marketing arrangements on the Jersey firms in the area (Hyman was essentially a 'middleman' rather than genuinely independent); and third, Samson's statistical analysis of the ledgers covered the years 1854-63, a period when Reciprocity and free port status for Gaspé resulted in atypical conditions on the coast.⁶ Because of these limitations his study cannot be assumed to be representative of merchant operations in the area in the 19th century. Nonetheless, his comment that "the fishermen who lived under the merchant system probably did not feel themselves to be its slaves, as most outside observers have depicted them" and that "Gaspé in the 19th century shows no evidence of forced labour" is a useful corrective to the simplistic 'helpless victims and grasping predators' mythology that has informed too much of the literature on merchant capital in Atlantic Canada.⁷ Significantly too, his analysis fits nicely into one of the characteristics of the truck system in Britain: truck seems to have been in part a technique adopted by small businesses with restricted access to liquid capital which allowed them to continue in business or even expand production without the restraint that capital scarcity might otherwise have imposed upon them, particularly during times of deflation, depression or shortage of coinage.⁸

S.O. Pierson, eds., *Atlantic Canada and Confederation* (Toronto, 1983), pp. 3-31; Prowse, *A History of Newfoundland*; R.A. MacKay, *Newfoundland: Economic, Diplomatic, and Strategic Studies* (Toronto, 1946).

5 This is not to denigrate such work but to recognise that it requires to be complemented by statistical information where possible.

6 Roch Samson, *Fishermen and Merchants in 19th Century Gaspé* (Hull, 1984), pp. 18, 20-4, 61-94.

7 *Ibid.*, p. 94.

8 George W. Hilton, *The Truck System including a History of the British Truck Acts, 1465-1960* (Westport, Conn., 1960), pp. 6-7, 119-42.

This paper is based on the ledgers of the largest fishing firm in the Gulf of St. Lawrence, indeed one of the largest inshore merchant fishing firms on the east coast of Canada and Newfoundland in the 19th century: Charles Robin and Company, known as C.R.C.⁹ The statistics presented here give a clear outline of the general operations of the firm over 50 years and they are supplemented by several illustrative histories of individuals which put a human face on the statistics and serve as concrete examples of the effects the merchant credit system could have on the lives of Gaspé fisherman. The paper addresses two related questions: how did the firm operate credit and debt at the production end of an international staple trade over 50 years, and how did that affect the fishermen who worked for it? With this information to hand it then becomes possible, as McCusker and Menard have suggested, to set about "disentangling the impact of the crop [staple] from that of the labour system".¹⁰

The firm's production of cod over 50 years (Table 1) demonstrates that there were two main phases in C.R.C.'s 19th century operations: an early phase to 1854, characterized by an average production level of about 28,000 quintals per annum, and a later phase after 1859 characterized by an average production level of about 48,000 quintals per annum. Allowing for expected cycles of good and bad years in the fishery, there was a dramatic shift in the volume of production which started in 1854 and was established by 1860. Samson records a similar increase for the port of Gaspé and attributes it to the creation of free port status for that town;¹¹ the Paspébiac ledger, however, makes it clear that this was a wider phenomenon, and that a broader explanation is required.

The date of the start of the shift, 1854, is significant. That year the Reciprocity Treaty gave Americans unrestricted access to the British North American fisheries, and in 1855 the C.R.C. agent at Paspébiac warned James Robin in Jersey that the treaty was creating "very critical" business conditions on the coast. The Jersey import-export monopsony was threatened by the presence of these foreigners who were offering high prices and cash on the barrel-head to local dealers, thereby rendering them "independent".¹² By 1865, however,

9 Robin, Jones and Whitman Papers, MG 28 III 18, Letterbooks and Ledgers, National Archives of Canada (N.A.), Ottawa. Detailed analysis of the ledgers is only possible for the years 1826-77; the ledgers prior to 1826 are no longer extant, and after 1877 there are only "unidentified general accounts" for Paspébiac.

10 John J. McCusker and Russell R. Menard, *The Economy of British America, 1607-1789* (Chapel Hill, 1985), p.27.

11 Samson, *Fishermen and Merchants*, p. 18.

12 Paspébiac agent to James Robin, 5 September, 1855, Robin, Jones and Whitman Papers, MG 28 III 18, Letterbooks (un-numbered), N.A. A monopsony exists when there is only a single buyer in a market. The Jersey monopsony on the coast is confirmed by Ommer, *From Outpost to Outport*; Samson, *Fishermen and Merchants*, pp. 20-4; Province of Canada, *Sessional Papers: Reports on the Canadian fisheries in the Gulf of St. Lawrence, 1854-87*, N.A.

government officials were convinced that C.R.C. and a few daughter firms on the coast were once more price-setting and clearly back in control of the trade.¹³ More than that, they had been expanding production: they moved onto the Labrador coast in 1857 and, by the 1870s, were also on the Côte Nord. It thus appears that while Reciprocity disrupted the early C.R.C. monopsony on the coast, by 1860, after a few years of severe competition and adjustment, the firm had recovered control and had begun to expand its business.

How the firm managed to turn crisis into success has to hinge on how it handled marketing and production during these years. Its approach to marketing was (at least superficially) straightforward, and will be dealt with very briefly here.¹⁴ Market control rather than diversification seems almost always to have been the strategy of the firm. Prior to its entry into the Brazilian market in 1844, Italy, Spain, Portugal and Jersey were the only markets of any significance, with 72 per cent of all fish sent to Italy in 1838, 10 per cent to Spain and Portugal combined, and 12 per cent to Jersey.¹⁵ In 1844, Brazil received 12 per cent of the fish and Italy 60 per cent. Thereafter the Spanish, Portuguese and Jersey markets maintained a low fluctuating level of less than 20 per cent of all fish exported, while Brazil grew in importance and Italy declined concomitantly until Brazil finally achieved dominance in 1866, the year of peak production for the firm over its whole career.

There was, of course, no possibility of establishing a monopoly in the marketplace, and C.R.C. was always anxious to minimize uncertainty in this uncontrollable area of its business operations, establishing family members as agents in the principal market ports of Italy and Brazil. During the difficult years of the 1850s, C.R.C. actually withdrew to the four or five established markets of the early years. Thus in 1855 they sold only to Naples (55 per cent), Oporto (5 per cent), Rio (22 per cent) and Jersey (11 per cent). At the early production peak of 1847, by contrast, they sent fish to seven ports: Civita Vecchia (8 per cent), Naples (43 per cent), Cadiz (4 per cent), Oporto (8 per cent), Rio (10 per cent), Pernambuco (7 per cent), and Jersey (11 per cent). By 1862 the number of ports

which received fish had risen to eight: Civita Vecchia (6 per cent), Naples (29 per cent), Oporto (3 per cent), Cadiz (3 per cent), Rio (13 per cent), Bahia (8 per cent), Trinidad (3 per cent) and Jersey (14 per cent); in 1869 the pattern was almost identical.¹⁶ The implication is that stress at the production end of the

13 David Lee, *The Robins in Gaspé, 1766-1825* (Toronto, 1984), p.96.

14 The whole issue of marketing in the fishery is in fact very complex and poorly researched. The exception is Shannon Ryan, *Fish Out of Water. The Newfoundland Saltfish Trade, 1814-1914* (St. John's, 1986) for the Newfoundland fishery. No comparable work has been done for the Maritimes; there is only my inadequate treatment of the subject in *From Outpost to Outport*, ch. 4.

15 The rest was held at Paspébiac in winter storage.

Table 1

Production of Cod, C.R.C., 1826-1877 (quintals)

1826	25626	1852	31654
1827	23742	1853	32481
1828	20444	1854	29296
1829	19669	1855	32391
1830	18273	1856	33473
1831	20000 (est.)	1857	33578
1832	22000 (est.)	1858	34304
1833	23213	1859	42806
1834	25529	1860	42495
1835	28887	1861	43570
1836	36286	1862	49230
1837	29145	1863	53071
1838	25935	1864	44061
1839	26284	1865	51241
1840	26896	1866	56587
1841	24599	1867	45144
1842	32841	1868	48848
1843	27484	1869	40874
1844	29938	1870	47157
1845	34935	1871	54571
1846	34105	1872	54702
1847	37774	1873	52242
1848	35198	1874	46586
1849	37674	1875	41365
1850	32312	1876	50848
1851	29733	1877	53220

1826-54 average: 28343 quintals; 1859-77 average: 48296 quintals.

Source: Robin, Jones and Whitman Papers, MG 28 111 18, vols. 174-5, 178, 181, 183, 186, 189, 190, 191-2, N.A. The figures are taken from the summaries of total firm production as recorded at the beginning of each year.

fishery usually restricted the range of markets used, while expansion in production resulted in only a slight exploratory widening of market range. C.R.C.'s famous insistence on high quality, and the reputation of their Gaspé cure, makes sense in this context of controlling known markets.

Although the population of Gaspé was growing rapidly (it grew by 270 per cent between 1830 and 1860), Samson suggests *that it could not keep pace with* the rise in cod production.¹⁷ A growing labour force could help to explain rising production, but only if the firm could keep control of that labour force, and do so at the lowest possible cost — hence the crisis of the 1850s when those workers could perhaps have been weaned away from C.R.C. with the onset of free trade and American competition. Certainly there is clear evidence of an increasing labour force, particularly after 1850, in the records of the headquarters at Paspébiac and the chief outport at Percé. From 1826 to 1850 (Table 2) there was

an average of about 500 active accounts annually in the books of the two stations combined;¹⁸ after 1850 that figure increased rapidly so that by 1862 there were nearly 1000 clients between the two stations. The rise in the number of accounts parallels the rise in production by the firm. At the Percé station, zero balance accounts (no debit or credit on the books) were most numerous throughout the period, positive accounts (a credit on the books) least numerous, and negative accounts (a debit on the books) declined steadily after 1838 from 45 per cent of all active accounts to 12 per cent by 1856. Thereafter, negative accounts rose, while zero and positive accounts declined, suggesting an increase in indebtedness to the firm. In Paspébiac, the picture was more complex since the headquarters handled more and more of the British North American dealings of C.R.C. as the century wore on. Zero accounts were never so dominant at Paspébiac; positive accounts never outweighed them; and negative accounts were dominant for almost the whole period, ranging from a high of 73 per cent in 1829 to a low of 25 per cent in 1846.

17 Population growth calculated from the figures given in Government of Canada, *Sessional Papers*, Report on the Gulf of St. Lawrence fisheries, 1867, p. 38. The combined populations of the Gaspé District and that of Cap Chat to Rimouski rose from 10,000 to 37,169 persons over the 30 year period. In *Fishermen and Merchants*, Samson states that "available capital could finance a higher level of production than local residents could handle", and thus migrant workers from the parishes of the lower St. Lawrence were used, paid a wage and regarded as a "short-term, controlled investment" (p. 43). That may have been true of the early years for C.R.C., but by the late 1840s, Canadian Servants (as C.R.C. called them) were decreasing in number on the books, and were no longer there in 1855.

18 The exception is 1838, the year LeBoutillier set up in 'competition' to C.R.C., when the number of accounts at Percé fell to just over 150. Rapid recovery resulted in numbers returning to normal by 1842. LeBoutillier's competition was somewhat muted; they were in reality a daughter firm, using C.R.C.'s vessels on occasion and their marketing contacts. Principals of the two firms also met regularly in Jersey at the Chamber of Commerce — see Ommer, *From Outpost to Outport*, ch. 3. Perhaps 'friendly rivalry' would be a more accurate description of the relationship between the two firms.

Table 2

Balances, Paspébiac and Percé, 1826-64

	Paspébiac				Percé			
	per cent		0	#	per cent		0	#
	+	-			+	-		
1826	18	56	26	285	9	36	55	217
1828	14	67	19	284	11	46	42	246
1830	7	67	26	279	8	56	36	224
1832	11	70	19	208	6	49	45	290
1834	11	51	38	368	7	53	40	188
1836	23	33	45	316	7	36	57	202
1838	14	44	42	327	7	45	49	155
1840	17	45	38	265	18	31	52	194
1842	29	31	40	255	22	28	50	199
1844	19	35	46	284	19	23	58	233
1846	25	25	50	274	26	25	57	240
1848	24	47	29	264	23	21	56	252
1850	24	42	33	238	24	21	55	246
1852	23	43	34	236	43	15	42	233
1854	34	44	22	254	32	14	53	247
1856	36	49	15	276	25	12	63	282
1858	33	36	31	344	22	18	61	316
1860	28	38	34	346	23	20	56	393
1862	23	47	30	386	16	35	49	517
1864	32	40	28	461	n.d.	n.d.	n.d.	n.d.

In Gaspé, C.R.C. — while always 'debit-led' (that is, the firm was normally owed more than it owed) — was decreasingly so during the 1830s and 1840s, but increasingly so after 1854. Over the whole period, the firm never owed its clients more than £4202 at Paspébiac in any given year or £1712 at Percé and, before 1846, never more than £1000 at either station. By the same token, the firm was owed as much as £7615 at Paspébiac and £3623 at Percé, although, as Table 3 shows, the overall picture was one of declining client indebtedness from 1834 to

Table 3
Increase/Decrease in Amount Owed By/To C.R.C., 1828-62
(Pounds sterling, Paspébiac and Percé combined)

	Firm Owes	+/-	Firm is Owed	+/-
1828	30	-	731	+
1830	335	-	451	-
1832	112	-	392	-
1834	714	+	751	+
1836	349	-	1809	-
1838	6	+	559	+
1840	102	+	942	-
1842	918	+	954	-
1844	7	-	8	-
1846	386	+	443	-
1848	194	+	314	+
1850	111	-	297	-
1852	671	+	502	-
1854	187	+	237	+
1856	86	+	955	+
1858	249	+	915	+
1860	376	+	1782	+
1862	458	-	4898	+

+/- is increase (+) or decrease (-) from previous year shown; figures rounded to the nearest pound.

Source: See Table 2.

1852,¹⁹ and then a rapid rise in client debt after 1854. Until the late 1840s and then again after the mid 1850s, the value of client debts to the firm outweighed the value of its debts to them as Table 4 shows, but in the intervening period C.R.C. was relatively more indebted than its clients (starred figures on Table 4). These data suggest that C.R.C., secure in its established monopsony on the coast, had been in the process of developing beyond its early reliance on client debt until Reciprocity upset the *status quo*. Certainly there was a reduction of client debt between 1846 and 1856, but whether it was a result of the firm getting stingier with its credit or clients being able to pay more to the firm is not revealed by the aggregate figures. By 1856, the old scenario of client indebtedness had reasserted itself.²⁰

²⁰ Samson, *Fishermen and Merchants*, p. 88, shows the same picture for a sample of 25 individual dealers.

Table 4
Value of C.R.C.'s Debts as Percentage of Client Debts, 1826-64

	Paspébiac	Perce
1826	38	21
1828	22	10
1830	5	7
1832	4	7
1834	23	8
1836	25	5
1838	19	5
1840	28	10
1842	92	41
1844	87	41
1846	131 *	59
1848	95	65
1850	114 *	60
1852	99	201 *
1854	117 *	167 *
1856	82	140 *
1858	80	87
1860	62	66
1862	28	34
1864	55	n.d.

100 per cent is 'break-even', when firm's debts equal client's debts. Below 100 per cent, the firm's debts to its clients are less than client debts to the firm; above 100 per cent, the debts of the firm are greater than those of its clients.

Source: see Table 2.

Was credit essential in Gaspé or could cash have been used? Hilton has suggested that in Britain, the truck system was one way that firms in isolated areas dealt with "a chronically inadequate supply of coins, or...insufficient or imperfectly developed credit facilities".²¹ Samson has observed that "Cash seems to have been a rare commodity, not only in Gaspé, but in Quebec City as well" and that "All production in Gaspé was bound up in a firmly rooted credit system" which did not weaken until the 1920s or 30s.²² On the other hand, government officials, the clergy and other witnesses on the coast from the 1830s to the 1870s all claimed that C.R.C.'s credit system trapped fishermen in indebtedness.²³ The point is important only if what is sought is culpability for, regardless of motivation, restriction of cash can clearly be demonstrated from the account books. C.R.C.'s ledgers show few cash transactions in the early years: from 1833 to 1847, the average cash transactions per annum amounted to only £2879 for all stations; in the later years (1858-1863) that amount rose considerably, to an average of £4940 per annum; and in the intervening decade (1848-1857), the cash account was severely restricted — averaging only £1964 per annum at a time when cash was being used on the coast by American and other traders.²⁴ These figures suggest deliberate stringency on the part of C.R.C. — in line with their general retrenchment during those years — and a deliberate preference for credit. Indeed, throughout the ledgers, cash transactions for any substantial amount were almost never with fishermen, but with other firms or people with whom the firm did not deal on a regular basis. As such, they may reflect something of the wider contacts of the firm in the area, but they tell us little about the ongoing relationship between C.R.C. and its usual clients. Cash transactions with fishermen were usually in the form of cash 'loans' for less than £5 before 1855, and almost never more than £50 even in the later years. As was also the case with Hyman's,²⁵ often these were not really cash transactions at all but merely transactions 'on the books': that is, a debt to a certain value, transferred and paid through an account.

Cash price and truck price for goods were, of course, related, since the truck price was the cash price plus a premium charged by the firm, often at very high rates: 25 to 40 per cent was usual, and even higher rates (up to 100 per cent) were

21 Hilton, *The Truck System*, p. 6.

22 Samson, *Fishermen and Merchants*, pp. 71-2, notes that credit was the custom in Gaspé and actually preferred at the beginning of the 20th century when early fishermen's cooperatives failed as a result of this preference. Similar preferences have been documented in Newfoundland in the days of the F.P.U. stores: see James K. Hiller, ed., *To Each His Own* (St. John's, 1987), pp. 134-5.

23 See Ommer, *From Outpost to Outport*, ch. 5, for a detailed discussion of this point.

24 Robin, Jones and Whitman Papers, MG 28 111 18, Cash Accounts for 1833-63, vols. 175-188, N.A.

25 Samson, *Fishermen and Merchants*, p.71.

not uncommon.²⁶ Samson notes the same phenomenon for Hyman's, although he does not calculate percentages (the one example he gives is a 35 per cent premium), and Hiller quotes government estimates for premiums in the Newfoundland fishery in the 1930s of between 19 and 76 per cent (truck over wholesale, not landed, price).²⁷ These figures are in stark contrast to those calculated by Fishback for Pennsylvania coal mine truck stores in the early 1900s, where premiums were never higher than just over 11 per cent and where, moreover, he claims that "prices were part of an employment package, including wages and housing, offered to mobile miners in a labor market with hundreds of mines".²⁸ Hilton, looking at 19th century British truck firms, suggested that "overvaluations in a range from 10 to 35 per cent are both widespread and consistent".²⁹ Even if isolation and transportation difficulties are taken into account, it would seem that premiums in the eastern Canadian inshore fisheries, including those of C.R.C., were severely inflated. It is the level of these premiums, rather than simple indebtedness, that defines C.R.C.'s credit system as 'truck', since this kind of a mark-up clearly reduced the fisherman's real wage below his nominal wage and was thus a deliberate means of defrauding workers of a part of their wages.³⁰

To prove that C.R.C. was debit-led and operated a truck system is one thing; to get some idea of how that system affected people's lives is a very different matter. Armstrong and Jones, in their recent book on business documents and their uses in historical research, have commented at length on the restricted nature of analysis based on this class of records. Noting that, apart from the technical difficulties of interpretation involved, journals and ledgers "do not explain the motives for a given course of action", they conclude that although "there are an almost infinite variety of time series, tables and graphs that might be constructed" from them, these documents are purely quantitative in the information they can provide. This means that while journals and ledgers are

26 Robin, Jones and Whitman Papers, MG 28 111 18, vols. 172-193. The range of premiums charged to clients has been estimated for each year from 1825-77. It appears to have narrowed somewhat between 1854 and 1867, but computer analysis would be required to reveal with any precision the patterns at present concealed in a multitude of annotations in thousands of individual accounts.

27 Samson, *Fishermen and Merchants*, p. 71; James K. Hiller, "The Newfoundland Credit System: an Interpretation", in Ommer, *Merchant Credit and Labour Strategies*. Wholesale price was the price paid by the merchant to purchase the supplies in Newfoundland.

28 Price V. Fishback, "Did Coal Miners 'Owe Their Souls to the Company Store'? Theory and Evidence from the Early 1900s", *Journal of Economic History*, XLVI, 4 (December 1986), p. 1027.

29 Hilton, *The Truck System*, p. 40.

30 Hilton, *ibid.*, p.1, notes that the reduction of the real wage was Alfred Marshall's reason for condemning the practice of truck in Britain.

very useful for generating the kind of macro-statistics presented earlier in this paper, they are not helpful at the micro-level, being unable to "provide much material for narrative or analysis on their own". Consequently, Armstrong and Jones advocate the reconstruction of "some of the more significant ledger accounts" and the concurrent use of other 'qualitative' documents (such as letterbooks and diaries where such exist) as the best way of getting at the kind of detail such records contain.³¹

There are two difficulties with this suggestion. The first lies in deciding (and then demonstrating) why a particular account is 'significant'; the second in the availability of supporting documentation which contains the kind of qualitative information required. In the more usual case where the records are being used to examine the financial well-being of a firm, a significant account will be one which is very large or which generates substantial returns or losses for the business. Moreover, supplementary documents such as letterbooks are likely to contain additional qualitative information on such important accounts. If, however, one wishes to assess the impact of a firm on its clientele, rather than the reverse, the size or value of an account is not of primary significance. Much more important is typicality, but this is extremely difficult to establish, for letterbooks (while they exist) are not helpful because they do not contain information on ordinary individual accounts. Furthermore, the bulk and complexity of the records makes the task of defining what is 'typical' formidable: individual accounts involve several entries on each side of the ledger which contain a wealth of information on wages, prices for fish and other goods, loans, premiums, the cost of supplies ("sundries"), transfers from other accounts and the like.

Table 5 shows the account of one individual (Rhéné Dugay) for one year only (1826), by way of illustration of what can be culled from such material. The *Per*

Table 5
Account of Rhéné Dugay, 1826

	<i>Per</i>	£ - s - d		<i>Contra</i>	£ - s - d
	Bal. last year	48 - 15 - 3¾	May 4	By 72 sugar @ 6d	1 - 16 - 0
June 10	Cred. fo. Leblanc his share fish	1 - 14 - 10½	June 10/28	By green fish 97¾ qtls @ 5/-	24 - 8 - 9
Sept. 12	To Bon to bro. Frederick	1 - 0 - 0		By 7½ days work @ 3/6 per Frederick	1 - 6 - 3
	To Sundries per a/c	24 - 13 - 0¾	Oct. 17	By 2" 1" 14 Fish @ 12/6 By 0" 0" 21 Inf. do @ 10/-	1 - 9 - 8¼ 1 - 10½
		<u>76 - 3 - 3</u>		By 3½ days work @ 3/6	6 - 1½
				By Bal. due Carrd. to fo. 63	46 - 14 - 6¾
					<u>76 - 3 - 3</u>

Source: Robin, Jones and Whitman Papers,

side of the ledger shows the items posted to this account by C.R.C. : a balance still owing from the previous year, a payment to Dugay's shareman LeBlanc, a payment to his brother and the supplies he received on credit that year. The *Contra* side of the ledger shows what Dugay paid (in kind) to the firm: fish (showing the grades of fish), work and returned goods. Dugay made £29.8.8¼, owed £76.3.3, and therefore had an outstanding negative balance of £46.14.6¾ at year's end, which was carried forward to the next year. The internal evidence in this account, then, does provide some qualitative information about individual clients, albeit of a limited nature. Dugay was a semi-independent fisherman, selling uncured ("green") and "inferior" (a low grade of cured fish) or ungraded fish to C.R.C. He worked on shares with LeBlanc and had to supplement the payments to his account with work and returned goods (sugar). He was, in 1826,

in good standing with C.R.C. in that he reduced his previous debt by a small amount and was allowed credit for supplies.

It is this kind of internal evidence, especially when extracted for individual clients over a period of time, that permits the researcher to move beyond Armstrong and Jones' assessment of the analytical value of account books at the micro-level, and begin to put a human face on the statistical analysis for which such data are more normally used. Thus the occupation of clients (independent or wage fisherman, shareman, schooner captain, agricultural labourer and so on) can usually be elicited, whether or not a client was employed, retired, ill or dying (the nature of payments to the firm often indicates this) and, of course, long-term financial status can be ascertained by tracking individual accounts over their lifetime on the books. However, when the number of clients on C.R.C.'s books is considered, it becomes obvious that only computerization of the thousands of individual accounts involved will ultimately solve the problem, permit typicality to be established statistically, and allow the full analytical potential of such records to be realised. In the meantime, the alternative of using illustrative (rather than 'significant') case studies of the situations in which C.R.C.'s clients found themselves has been adopted here, using only fishermen's accounts since they can safely be taken to be generally representative of the bulk of C.R.C.'s clientele.

Table 6 shows the summary histories of 13 accounts taken from the early phase of CRC's operations (1826-52); Table 7 shows an extended family's account history over the middle and later years (1842-77).³² These examples are drawn from the Paspébiac ledger, but the same kind of information is to be found throughout the books of all the stations. The purpose here is limited: to ask what the ledgers reveal about how individuals on the coast were dealt with under the merchant credit system over time.³³ Individual accounts do not

³² Robin, Jones and Whitman Papers, MG 28 111 18: Account of John Peter Arseneau, 1826-49, vols. 173, 175, 178, 181; Account of Charles Doiron, 1826-37, vols. 173, 175, 178; Account of Eduard Huard, 1826-42, vols. 173, 175, 178, 181; Account of Francis Hébert, 1826-48, vols. 173, 175, 178, 181; Account of John Lantin, 1826-38, vols. 173, 175, 178; Account of James Huard Jr., 1826-43, vols. 173, 175, 178, 181; Account of John Chapados (Michel), 1826-51, vols. 173, 175, 178, 181, 183; Account of Peter Arosbile, 1826-35, vols. 173, 175; Account of Clement Holme, 1826-50, vols. 173, 175, 178, 181, 183; Account of John Sire, 1826-36, vols. 173, 175; Account of Peter Hautseinnet, 1826-37, vols. 173, 175, 178; Account of Andrew Castillon, 1826-49, vols. 173, 175, 178, 181; Account of Rhéné Dugay, 1826-43, vols. 173, 175, 178, 182; Account of Frederick Arseneau, 1842-77, vols. 181, 183, 186, 189-92; Account of Peter E. Arseneau, 1855-77, vols. 183, 186, 189-192; Account of Joseph Arseneau, 1842-77, vols. 181, 183, 186, 189-92; Account of J-B Arseneau, 1852-77, vols. 183, 186, 189-92; Account of Zachary Arseneau, 1855-77, vols. 183, 186, 189-92; Account of Sebastion Arseneau, 1842-70, vols. 181, 183, 186, 189-90; Account of Felix Arseneau, 1848-77, vols. 181, 183, 186, 189-92.

³³ For the wider context, including details of population growth, labour recruitment and the developing economy, see Ommer, *From Outpost to Outport*, chs. 2 and 5, and Samson,

contain details of articles consumed and their prices, which is regrettable since this would reveal a great deal about consumption patterns and hence the quality of life of the fishermen who dealt with C.R.C., and it would also help to clarify why (instead of merely how) people became indebted to the firm, by showing the cost and kind of purchase that created these debts. However, this cannot be done with the C.R.C. ledgers since details of purchases are always summarized under the unhelpful entry, 'sundries'.³⁴

The first impression gained when reviewing the accounts is one of enormous variety: the system was not monolithic, with everyone faring equally badly, being equally trapped or equally exploited. Some fishermen never went into debt (Sire and Lantin), one only rarely (Doiron), while others were eventually "cut off" and were not permitted to make purchases at the company store (Hébert, Castillon, and Dugay). The Arseneau family showed the same kind of variation in the later years, though none of them managed to escape debt eventually and four were cut off. Clearly, the system was more complex than the mythology about it has acknowledged to date; the reality was far from monochromatic.

Table 6
13 Case Studies: Individual Accounts

	Arsenault	Doiron	E. Huard	Hébert	Lantin	J. Huard	Chapados	Arosbile	Holme	Sire	Hautseinnet	Castillon	Dugay	Number + balances
1826	+	-	0	-	+	0	+	-	-	+	0	-	-	7
1827	0	0	0	0	0	-	-	-	-	+	-	-	-	3
bad fishery	1828	+	0	+	0	-	-	-	-	+	-	-	-	6
1829	0	0	0	0	0	-	-	-	-	+	-	-	-	3
1830	0	0	?	0	0	-	-	-	-	0	-	-	X	2
1831	0	0	0	0	0	-	-	-	-	+	0	-	-	3
1832	-	0	-	0	0	0	-	-	-	+	0	-	-	3
1833	0	0	0	-	0	0	-	-	-	+	0	-	-	3
1834	-	0	0	-	0	0	-	-	-	0	0	-	-	1
1835	0	0	0	+	+	0	-	+	0	+	+	-	X	7
1836	0	0	0	+	0	0	-	0	0	0	+	-	-	3
1837	+	0	0	0	0	-	-	0	0	-	0	-	-	2
1838	-	0	0	0	0	-	-	-	-	-	-	-	-	0
bad fishery	1839	+	0	+	-	-	-	-	-	-	-	-	-	3
1840	-	-	-	+	-	-	-	-	-	-	-	-	-	1
1841	-	-	-	+	-	-	-	0	0	-	-	-	X	1
1842	0	0	0	+	Moves to Caraque	-	-	-	-	-	+	-	X	2
1843	0	0	0	0	0	-	-	-	-	-	-	-	X	1
1844	0	0	0	-	Moves to Caraque	-	-	-	-	-	-	-	-	1
1845	+	0	0	0	0	-	-	-	-	-	+	-	-	2
1846	0	0	0	0	0	-	-	-	-	-	+	-	-	3
1847	-	0	0	-	-	-	0	-	-	-	+	-	-	2
1848	-	0	0	-	-	-	-	-	-	-	0	-	-	0
1849	-	0	0	X	-	-	-	-	0	-	-	-	-	0
poor fishery	1850	-	0	X	-	-	-	-	-	-	-	-	-	0
1851	-	0	0	X	-	-	0	-	-	-	-	-	-	0
1852	-	0	0	X	-	-	-	-	-	-	-	X	-	0

Key: + = positive balance
- = negative balance

0 = account balances
X = cut off, bad debt to 1856

| account closed

Source: See footnote 32.

Table 7
La Famille Arsenault, 1842-77

	Frederick	Peter E.	Joseph	J-B	Zachary	Sebastion	Felix	Number + balances
1842-	+		+			0		2
3-	+		+			+		3
4-	+		+			0		2
5-	+		0			+		2
6-	+		+			+		3
7-	+		+			+	+	2
8-	+		0			0	+	2/3
9-	+		0			0	+	3
50-	+		0			0	+	2
1-	+		+			+	+	2
2-	+		+	+		+	+	4/4
3-	+		+	+		+	+	5
4-	+		+	0		+	+	5
5-	+		+	0		+	+	4/5
6-	+		+	-	+	+	+	5/7
7-	+		+	-	-	+	+	4
8-	+		+	-	-	+	+	4
9-	+		+	-	-	+	+	5
60-	+	n.d.	+	-	?	+	+	4
1-	+	cut off	0	+	-	+	-	3
2-	+		+	cut off	-	+	-	3
3-	+	cut off	cut off	cut off	?	+	-	4
4-	+	x	cut off	cut off	x	+	-	2
5-	+	x	x	x	cut off	+	-	2
6-	+	x	x	x	x	+	-	2
7-	+	x	x	x	x	+	-	2
8-	+	x	x	x	x	+	-	2
9-	+	x	x	x	x	+	-	2
70-	+	x	x	x	x	+	-	2
1-	+	x	x	x	x	+	-	2
2-	+	x	x	x	x	+	-	1
3-	+	x	x	x	x	+	-	1
4-	+	x	x	x	x	+	-	1
5-	+	x	x	x	x	+	-	1
6-	-	-	-	-	-	-	-	1
7-	-	-	-	-	-	-	-	0

Fred's a/c starts £18
 Felix @ £10
 ← best year for family
 Felix @ +£27
 Felix @ -£49
 Peter @ -£80; Felix @ -£401
 peak of Fred's a/c £152
 "the squeeze"
 Felix @ -£300
 Fred @ -£81; Peter @ -£55
 Fred @ -£6; Felix @ -£253

Key: + = positive
- = negative

0 = account balances
x = cut off

= account closed

Source: See footnote 32.

Some clarification of how it actually worked can be obtained from looking at the actual amounts of balances rather than simply their status (positive, negative or zero). The three fishermen who were cut off in the earlier years (Table 6) had balances that ranged from -11 to +£8 (Hébert), -£6 to -£62 (Dugay) and -£6 to -£40 (Castillon). In each case C.R.C. kept them on the books for as long as they were making regular payments that reduced the outstanding amount even to a small degree. Castillon, for example, owed £40 on a year's total bill of £87 in 1842, £38 on £81 in 1845, but in 1850 he owed £40 on £61 and, when he still owed that in 1851, now on an account of £80, he was cut off and thus not allowed to incur more debt. Hébert usually paid the firm in fish or in fish and wood. In 1840 he supplemented that with farm produce. By 1848 he was unable to make any payment on the account and was cut off, his balance remaining on the books as a 'bad debt'. Dugay (whose account for 1826 was shown in detail in Table 5) was a similar case. He was cut off in 1830 and again from 1833-36 and 1840-42 because — despite efforts to reduce his balance outstanding through payment in fish, fish

Fishermen and Merchants, ch. 3. Biographical details of the people dealt with in this paper are not available for the most part, beyond the occasional mention of someone like Day (Charles Robin's master shipbuilder — see later) in the letterbooks.

- 34 Day books give details of purchases of supplies, of course, but it is impossible to coordinate these with the individual accounts. Research on the ledgers of some Newfoundland fish merchants (where supplies are itemised) does, however, show that there were clear differences in the kinds of goods purchased by fishermen as opposed to clerks, professionals or merchant families. The prices charged for supplies were also higher for fishermen than they were for people not directly working in the fishery. See Rosemary E. Ommen, "Merchant Credit and Household Production: Newfoundland, 1918-29", paper presented to the Canadian Historical Association, Quebec City, June 1989.

oil, wood, hay, return of purchases and manual labour — he made little or no progress over a very long period of time. Even assistance from his son (a credit of £26.12.5½ is shown as transferred from his son's account in 1833) was not enough to prevent him being cut off. Finally in 1843, with only wood on the credit side of his account and a debt of £29.1.9, Dugay died, his balance remaining as a bad debt.

C.R.C. was not a compassionate business; there is no evidence of charity in the account books. Not even the children of Philip Robin and Martha Arbou were assisted beyond an annual credit on the books for a small allowance.³⁵ The one possible instance of assistance given was with the account of James Day, master shipbuilder for Charles Robin, after Day's death in 1833. The next year, James Robin sent an order to the firm's London agents clearing the account of all but £3.18.11, which was a charge for the transactions involved and which was paid by the church later. It is also possible, of course, that Day's estate paid C.R.C. who then cleared the account.³⁶

Table 7 looks at the later phase of C.R.C.'s operations through the accounts of one Acadian kin group. What is really significant in this set of accounts is the strong evidence of a weakening of indebtedness in the 1850s and then escalating debt in the 1860s. This fits with Samson's evidence for his sample dealers, of which he says:

Generally...production was always a little lower than advances, so they were permanently in debt. Not only did debt increase as sales rose, it also grew in proportion....in ten years the relative size of the debt doubled: in 1854 it was 16 percent of their account, in 1863 it was 33 percent, and it never returned to the level of the first years. This growth was cumulative as well: a new debt every year (the difference between debit and credit) was always added to the one not paid the year before. The company grew, dealers produced more and more, but their debt got steadily larger instead of smaller.³⁷

The accounts of the Arsenault family, considered alongside the increase in production (Table 1) and debt (Tables 2 and 3), show the same general pattern

35 Robin, Jones and Whitman Papers, MG 28 111 18, vols. 179, 182. Philip Robin was the nephew of Charles Robin, founder of the firm. He married Martha Arbou in Gaspé, but the family in Jersey did not recognise the marriage. However, the marriage and birth certificates are in the Gaspé Diocesan Archives, along with a letter from L. Winter (avocat) to Rev. M. Charles F. Cazeau, Québec, Percé, 12 June 1843, instructing the priest that the information is to be kept secret "until circumstances let Philip Robin make it [the marriage] public". I am grateful to Dr. F. W. Remiggi for this reference.

36 Robin, Jones and Whitman Papers, MG 28 111 18, vols. 173, 175.

37 Samson, *Fisherman and Merchants*, pp. 88-9.

pertaining for C.R.C.'s clients, if this family is typical, and there is no reason to assume that they are not. When wages and the prices set for fish on the coast (set, that is, by the firm) are considered, it is easy to see how this could happen. Wages varied very little throughout the whole period. Work in the spring fishery in 1826 was paid at 2/6 per day, in the summer fishery, 3/6. In 1828 it was 2/6 and 4/- per day. Fish prices on the coast also remained stable, as Table 8 shows, rising slightly in the bad years after 1836 only to return to previous levels until 1850. Indeed, right up to the late 1860s, these prices were very stable indeed and clearly not set according to yearly changes in the market prices for fish.

It is in the fine detail of accounts such as these that the working of the credit system at the individual level becomes clear. Full understanding of the system, however, must rest on a grasp of the reciprocity of trade-offs between merchant and client, along with an appreciation that the large merchant firm and the individual fisherman were not equal partners. In other words, the firm was always making fine judgements about who to keep and who not to keep. Its clients, of course, were making reciprocal judgements about how much to purchase without getting into the kind of debt that would result in their being cut off with nowhere else to go, since a 'bad debt' for C.R.C. was a bad risk for any other merchant on the coast.³⁸ For both merchant and client, good and bad years in the fishery had to be added into their calculations: good years were years when local consumption could rise and the firm could expand its profits on supplies, while bad years meant that the firm had to tighten its credit and clients reduce their level of consumption accordingly. Shifts from a run of good to a run of bad years were often crisis points for individual accounts. Thus Arsenault, who had balanced his account in 1846 at £58.9.7, was in debt over the next three years to the tune of £1 to £4, while Hébert sank into irredeemable debt at the same time because he could make no inroads on the outstanding debt. Accounts that the company considered viable were those which regularly showed a positive or zero balance, or payment on a negative balance (Arsenault, Doiron, Lantin, Sire); bad accounts were those whose owners could not provide enough fish, or alternatively enough produce or service, to keep a permissible small negative balance running. Such accounts often showed a scramble to keep from being cut off, being replete with small quantities of produce ("sugar") or even private goods ("a bridle") sold back to the store in an effort to reduce the amount outstanding by just enough to satisfy the firm. The crucial importance of the household subsistence economy, which served as a safety net in such circum-

38 Since C.R.C. controlled the supply trade into the Gaspé fishery, they were at the front of a chain of credit reaching back through firms like Hyman's to the individual on the coast. They were also the firm with the largest inventory and the greatest financial resources. A debt that they were unwilling to carry was clearly even more hazardous for other merchants under these circumstances.

stances, is highlighted by such entries as “wood” or “potatoes” or “cabbage” being sold to the store to reduce outstanding debt, and manual labour (including housecleaning and laundry services) was also often entered as part-payment of an account.³⁹ It is also clear that anyone who failed to make payments on a debt for two consecutive years was liable to be cut off.

The question, of course, must be why local fishermen stayed with C.R.C. under these conditions, since it is clear that they did. Indeed, the number of clients on the books rose steadily from 1854 onwards, even during the crisis years of Reciprocity. One can only surmise that they stayed because they were able to increase their purchases on account with C.R.C. at this time since the firm was concerned that it might find itself short of producers, and hence of fish. Of course, that rebounded on the clients later when their increased purchases became a source of indebtedness from which they could not escape once the threat of external competition had been overcome by the firm and it could recoup its losses to some degree. It is also worth remembering that C.R.C. could always offer its clients something that the itinerant trader could not — a reliable source of supplies, regardless of good or bad fishing seasons. Such stability was vitally important to fishermen. One has only to consider the riots that occurred at Paspébiac when the firm finally folded in 1886 to realise how crucial the merchant's role of supplier was to the fishermen.⁴⁰

Isolation worked both ways, as did so much else in the fishery. It made a credit system workable for the merchant in terms of the feasibility of ‘capturing’ clients, but it also meant that the firm was faced with the difficulty of having to deal with ‘bad’ clients who had no alternative means of reducing their debt. Isolation did not really lessen at any point in the 19th century and there were few full-time employment alternatives to the fishery available for most of the period. Timber and agriculture were not sufficiently developed to provide viable alternatives for large numbers of people and, in any case, the adjustment costs of getting out of the fishery were high for people with little education and few other skills. This was even more true of the potential option of migration to Quebec City, Montreal or beyond, where leaving Gaspé would have meant abandoning the subsistence

39 Household production by fishing families is only now beginning to be appreciated for its role in the merchant fisheries as the underpinning of the whole system. Its existence allowed people to continue to survive when they were cut off, and to keep store purchases low when they were poorly off. Failure of this subsistence production, for whatever reason, resulted in crisis, as many Newfoundland reports make clear. See, for example, *Report of the Commission of Enquiry Investigating the Seafisheries* and for a present day version of the same idea, *Building on Our Strengths*, esp. ch. 4; see also Ommer, “Merchant Credit and Household Production” which analyses the symbiotic relationship between credit and subsistence production in the Newfoundland inshore fishery.

40 Ommer, *From Outpost to Outport*, ch. 7.

economy (that was the safety net for so many fishermen) for the grinding poverty and uncertainty of life as an unskilled worker in an urban industrial centre, with no vegetable garden or day's catch to provide support when a job could not be found. The merchant undoubtedly held fishermen in a net of debt, but many fishermen also chose to live with that, and its consequences, rather than risk unknown forms of immiseration elsewhere.⁴¹

Table 8
Average Fish Prices: Market and 'Coast', 1822-77
(Pounds Sterling)

	Market	Coast		Market	Coast
1822	12/3	9/3	1850	11/9	10/3
1823	11/9	"	1851	12/-	"
1824	11/4	"	1852	16/6	"
1825	9/3	"	1853	13/9	"
1826	9/11	"	1854	15/3	"
1827	13/4	"	1855	16/6	11/9
1828	11/6	"	1856	15/3	"
1829	9/3	"	1857	14/9	"
1830	8/-	"	1858	14/9	"
1831	11/9	"	1859	15/10	"
1832	10/11	"	1860	15/6	"
1833	12/6	"	1861	13/9	11/3
1834	9/9	9/6	1862	15/-	"
1835	12/3	"	1863	18/11	12/-
1836	13/6	"	1864	19/-	"
1837	14/9	"	1865	17/3	"
1838	15/6	10/6	1866	22/6	"
1839	15/-	"	1867	15/6	"
1840	9/3	10/-	1868	14/9	"
1841	12/6	"	1869	16/10	"
1842	9/9	"	1870	16/10	16/-
1843	10/10	"	1871	16/10	15/-
1844	11/6	"	1872	16/10	"
1845	10/9	9/6	1873	17/-	"
1846	12/-	"	1874	17/6	"
1847	14/6	"	1875	19/-	"
1848	13/6	"	1876	22/9	"
1849	11/6	"	1877	18/9	"

Source: A. Bezanson, *Wholesale Prices in Philadelphia, 1784-1861* (Philadelphia, 1936), p. 45; Ryan, *Fish Out of Water*, p. 264; Robin, Jones and Whitman Papers, MG 28 111 18, vols. 172-4, 177-92, N.A.

Finally, we are now in a better position to look at two broader questions: what was the nature of the merchant truck system in Gaspé, and did it hamper the development of the region? Hilton defined truck as "a set of closely related arrangements whereby some form of consumption is tied to the employment contract", and observed that this could encompass a range of formats from the payment of wages in goods, through compulsion to purchase at the employer's store, to an agreement with "workmen who made irregular anticipations of wages accrued, but not yet due to be paid".⁴² Clearly the merchant credit system of Gaspé (and probably that of Newfoundland as well) was genuine truck since it involved store credit tied to production, often in anticipation of work yet to be done ("advances"), and with, moreover, a premium added to the cash price of store goods which effectively reduced real wages.

The issue of forcibly tying people to the company by debt, however, is more subtle. In the New World situation of a pre- or proto-industrial fishery at Gaspé, the area's greater relative isolation presented conditions which made truck not only useful but perhaps the only sensible *modus operandi* for the firm, particularly at the beginning of the 19th century. Two points are worthy of note here: the

argument (derived by Hilton from Walker⁴³) that truck was a monopsonistic device which used debt to tie a labourer to his employer by the consequent restriction of the mobility of the employee, and the idea that truck was an efficient means of operating under circumstances of coin shortage and/or poor credit facilities.⁴⁴ In the former case, exploitation is implicit; in the latter it may, but need not, occur. Mobility was restricted in Gaspé at least in part by the fact that the area was isolated and the adjustment costs of outmigration were therefore formidable. In a sense C.R.C. did not need, except during the early years on the coast when it was still in a competitive situation,⁴⁵ to tie its employees

41 There is, as yet, no study of outmigration from Gaspé, though one is badly needed. The point here is that C.R.C. did not find itself in the position of having a shrinking clientele.

42 Hilton, *The Truck System*, p. 1.

43 Francis A. Walker, *The Wages Problem* (London, 1877), pp. 343-4, cited in Hilton, *The Truck System*, p. 5.

44 Hilton, *The Truck System*, p. 6.

45 Ommer, *From Outpost to Outport*, ch. 2. It is most likely that C.R.C. did tie fishermen with indebtedness prior to 1800; the contents of the letterbooks suggest this very strongly. No ledgers are extant for the period, however, so that we cannot test this statistically.

by debt — they were probably stuck there anyway. The other possible exception to this generalization was during the few years after Reciprocity when there was once again competition, and also cash, on the coast. Yet what would be needed to demonstrate conclusively that debt was used throughout the whole period of the firm's operations to immobilise fishermen is evidence of legal action by the firm against its debtors. Although no study of the court records for the area has yet been carried out, Samson points to the evidence of the fisheries officer Pierre Fortin who, in the 1850s and 60s, was called upon to assist the local justice of the peace at Percé in trying the cases of fishermen accused of breaking their engagements. Penalties were a fine (Samson cites one case of ten dollars) or a jail sentence (he cites twenty days): nobody, noted Fortin, paid the fine and all went to jail.⁴⁶

It is also the case that coinage was in short supply in Gaspé in the 19th century, and that truck would have helped C.R.C. to survive in the more general deflation associated with the 1870s, since it would have alleviated a chronic shortage of working capital.⁴⁷ Nonetheless, it is beyond question that the truck mark-up on goods was extreme, and it is here that the evidence in the ledgers suggests exploitation. Workers' real wages were so far reduced below their nominal wage that the firm, in a situation of monopsony and isolation, was able to keep fishermen's incomes depressed. On balance, while it is not demonstrable that, at least in Gaspé (the more complex Newfoundland situation may well prove otherwise), C.R.C. had a constant policy of tying its labour force by bonds of indebtedness, it is clear that the firm took advantage of its circumstances to reduce real wages and thus exploit a captive labour force.

The purpose of the Jersey enterprise at Gaspé was not to bring wealth or development to the colony, but to bring profit to the firm and wealth and development to Jersey through the creation of a complex commodity exchange in which codfish was the prime mover.⁴⁸ Colonial development out of a staple trade, according to a variety of scholars, rests on the creation of a set of linkages which will ultimately generate an aggregated multiplier mechanism from which the 'take-off into sustained growth' can develop.⁴⁹ But in Gaspé very few forward

46 Samson, *Merchants and Traders*, pp. 44-5.

47 Deflation was rampant in the North Atlantic economy from 1873 to 1887, and C.R.C. failed in 1886 as a result of a financial crisis in Jersey.

48 Rosemary E. Ommer, "The Trade and Navigation of the Island", in David Alexander and Rosemary E. Ommer, eds., *Volumes Not Values: Canadian Sailing Ships and World Trades* (St. John's, 1979), pp. 45-50.

49 See, for example, Mel Watkins, "A Staple Theory of Economic Growth", *Canadian Journal of Economics and Political Science*, XXIX, 2 (1963), pp. 141-58; James M. Gilmour, *The Spatial Evolution of Manufacturing in Southern Ontario* (Toronto, 1972); Douglass North, *The Economic Growth of the United States, 1790-1860* (New York, 1961); R.E. Baldwin, "Patterns of

linkages existed in the fishery of the day. Backward linkages (including roads) were virtually non-existent until after 1860, and the sailing vessels that the Jerseymen used were increasingly Jersey-built after 1824.⁵⁰ However, backward linkages from the fishery (such as cordage, shipbuilding, coopering) and cottage consumer industries (such as garment-making, knitting and the like) did exist; they were to be found, however, not in Gaspé but in Jersey along with marketing and financial services to the fishery.⁵¹ The crucial final demand linkages of the cod trade were either not created in Gaspé, or else severely restricted, since the truck system took the place of a local cash economy. Truck pay, with its lack of cash and its diminishment of real wages, encouraged home production, limiting purchasing power and hence consumer demand. Isolation may have been instrumental in the maintenance of the truck system in Gaspé, but the bulk of the responsibility for suppression of final demand linkages (through the reduction of real earnings and hence purchasing power) must lie with the system itself and with the conservative entrepreneurial vision of fish-merchant capital operating in a colonial context.⁵² How much Gaspé might have developed had economic diversification occurred is, of course, a matter of conjecture: we cannot estimate with any degree of certainty the extent of the potential lost to the region by virtue of the way in which the merchant inshore fishery was operated. But we can say this: mercantile removal and inhibition of linkages, including the stultification of final demand linkages through the use of a truck system in the Gaspé fishery, undoubtedly contributed significantly to the economic retardation and underdevelopment of the region.

Development in Newly Settled Regions", *Manchester School of Economics and Social Studies*, 24 (1956), pp. 161-79; Albert O. Hirschman, *The Strategy of Economic Development* (New Haven, 1958), ch. 6.

50 Ommer, "The Trade and Navigation", pp. 40-2.

51 *Ibid.*, pp. 45-50.

52 For a similar situation in the tobacco staple see McCusker and Menard, *The Economy of British America*, pp. 132-3. They note that tobacco failed to generate many linkages and they attribute this not only to the nature of the staple, but also to mercantilist restrictions on the trade, metropolitan control of shipping and marketing services, and slavery which "limited consumer demand...and channeled entrepreneurial energies into staple production".