

## Us and them

**This article traces the history of the Prince Rupert Fishermen's Co-operative Association in British Columbia, Canada**

**T**he Prince Rupert Fishermen's Co-operative Association was created in 1931 by a group of fishermen eager to take control of their own economic destiny. Their aim was to bypass the large canning companies' control of the fishery and sell fish directly to fresh-fish agents in the urban centres.

These early co-operators opted to develop direct links between fishers and the fresh-fish market rather than challenge the existing sets of producer-processor relations of production and form a trade union. The new co-operative succeeded in increasing its members' earning potential, which, in turn, allowed them to reinvest in more efficient fishing technologies. As PRFCA's success grew, so too did the conflicts between the co-operative and its developing shoreside processing workers.

PRFCA's formation was facilitated by the low capital investment required at that time to enter the troll fishery and the flexible market potential of troll-caught salmon. Trollers' economic freedom was partly the result of a technological process that required a minimal investment in gear. Net fishers, however, were effectively tied to the private canneries by the high cost involved in replacing their linen seines and gillnets and through restrictive fishing licence regulations. The canneries offered easily accessible credit. In return, net fishers were contractually obligated to deliver all of their catch to the cannery.

The consistently higher quality product produced by trollers meant that troll-caught fish could also be sold in the fresh-fish market. However, the private fish-processing firms were indifferent to the market potential of troll-caught salmon and chose instead to concentrate on canned fish. The founders of PRFCA

thus organized their resistance to private capital by taking advantage of the unrealized market potential of troll-caught salmon. They used their resource-sharing networks of kin and close friends to establish a coalition of small boatowners who, together, could market their catch in the domestic, fresh-fish market.

The different strategies adopted by fishers to circumvent the control of the large companies reflect the differences in their respective class characters. Those fishers who lacked formal control over their labour power tended toward unionization. The unionist strategy emphasized the working-class character of fishers and had the restructuring of capitalist society as its implicit goal. Those fishers, such as the independent trollers and longliners, who maintained some degree of control over the means of production, but lacked the power to confront the companies individually, opted for co-operative organizations.

The co-operativist strategy emphasized the business character of fishers. The co-operative organizer attempted to use the mechanisms of capitalism to improve the individuals' material status. Nonetheless, whether fishers were members of a union or a co-operative, they shared a similar ideological focus in regard to their 'place' as fishermen vis-à-vis the companies.

### **Shoreworkers**

PRFCA and the union initially co-existed without conflict. However, the shift to processing immediately expanded PRFCA's shoreworkers and created a situation in which the co-operative was more vulnerable to strikes by their non-member shoreworkers. The first open conflict between the union and PRFCA in

1943 set the pattern for future conflicts between the two fisheries organizations.

**P**RFCA had recently begun processing halibut and was building a new cold-storage facility. Since an agreement had already been signed with the co-operative's shoreworkers in the spring, PRFCA fishers did not anticipate a summer strike. However, when unorganized workers struck the companies for a first contract, the co-operative's shoreworkers joined the strike. PRFCA fishermen, infuriated at having their fishing so interrupted, threatened to operate the plant themselves. The matter was resolved after the companies signed an agreement with the union that, according to the PRFCA's Board of Directors, was "less than what the co-operative was already paying."

During the 1960s and 1970s the PRFCA's economic development focused on expanding production. A shrimp and crab cannery was built 1961 and expanded a few years later to also can salmon. In 1965 a half-million dollar plant was built in Vancouver. In the early 1970s PRFCA built an expanded cold-storage facility and a modern trawl-fish-processing plant in Prince Rupert. Through 1978 to 1988 the co-operative's average annual production was 38 mn pounds, with annual gross sales of Can\$67 mn.

Following five decades of continuous expansion, PRFCA's practices were looking increasingly less co-operative and more corporate.

Despite the many similarities between PRFCA and corporate fish-processing plants, the co-operative was different. PRFCA members owned and controlled the operations of their fish plant. PRFCA membership included all fishers, irrespective of whether they were boatowners or not. To become a member, a fisher had to sign a marketing contract and agree to purchase a set number of shares of the co-operative. The profit made on the sale of their fish was returned to the membership. While the share structure changed over the life of the co-operative, the basic principle of one member-one vote was maintained. For a brief period during the 1940s, shoreworkers were also given an option of becoming members. However, the fishermen members were concerned that shoreworkers would "take over the co-operative" and, by the end of the 1940s, had reverted to a fishermen-only membership.

#### **Democratic response**

The democratic structure of PRFCA reflects yet another important difference between it and the private companies. PRFCA attempted to remain responsive to the interests of its membership through a system of elected regional boards and

committees. Whereas most company fishers are employees of the company and have little, if any, say over company policy, PRFCA fishers had a direct voice in shaping the policies of their association.

**W**hile PRFCA's economic development was, for most of the post-war years, a picture of a steadily expanding enterprise, the co-operative's relationship with organized labour was the reverse. Contrary to the majority of sources, which suggest that conflicts between PRFCA and the United Fishermen and Allied Workers Union (UFAWU) are a product of the mid-to-late 1960s, the co-operative and organized labour were in conflict since their formative years. Initial tensions were relatively insignificant, but as both organizations grew, the animosity of the conflicts intensified, culminating in a major dispute in 1967.

PRFCA members saw the 1967 dispute as an attempt by UFAWU to destroy their co-operative. Letter writers to the local newspaper argued that "the so-called fisheries dispute is not a dispute at all but a planned attack by the UFAWU to raid the membership of the Deep Sea Fishermen's Union (DSFU), the union representing most co-operative crew, and capture the security of PRFCA." The UFAWU leadership, however, argued that the 1967 dispute signalled the takeover of PRFCA by the big capitalist boat skippers.

At the conclusion of the 1967 dispute, the relationship between the UFAWU and PRFCA had been fundamentally changed. The UFAWU's shoreworker section was decertified. All co-operative fishers were represented by the DSFU. Two of the UFAWU's leaders received jail terms for their part in the dispute and the union was fined Can\$25,000 for counselling its members to disobey the 23 March 1967 court injunction.

The conflicts of 1952, 1959 and 1967 intensified the animosity between UFAWU and PRFCA. The increasing level of conflict between these institutions underlined the fundamentally antagonistic class interests they represented. After having successfully pushed the UFAWU out of the Prince Rupert plant in 1967, co-operators might be forgiven for believing that they

had resolved the fundamental contradiction between capital and labour. However, as the events of the 1970s and 1980s demonstrated, the issue of labour (or, more precisely, the question of class and class struggle) remained at the heart of the co-operative's difficulties. While it may be argued that PRFCA's labour history affirms the big-boat takeover thesis, something far more crucial was at stake in terms of evaluating the progressive potential of co-operative forms of production.

In the post-Soviet era, market-based solutions are advocated as the only way forward by Left and Right alike. While commentators may disagree over how far one should go, the questions of whether or not one should go is rarely given serious attention. However, the example of PRFCA and its relationship to working-class people raises crucial questions about the possibility of finding equitable solutions to the ravages of a capitalist economy—especially in the context of neoliberal globalization. PRFCA's ongoing labour strife points to a fundamental contradiction between the possibility of social ownership and capitalism.

As long as PRFCA persisted as a marginal player and restricted its activities to selling members' fish, it could, and did, avoid conflicts with organized labour. However, the moment PRFCA changed from marketing to processing, it was forced to confront the inherent contradiction of trying to act in the interests of one segment of the subaltern (small boatowners) while necessarily having to suppress the interests of a second segment (shoreworkers and, to a lesser extent, deckhands). Up until the economic crises of the 1980s, the interests of deckhands were subsumed within the category of "members." But, except for a brief moment in the early 1940s, shoreworkers were always excluded from membership.

#### **Growth period**

Meeting the needs and aspirations of the shoreworkers ultimately stood in the way of PRFCA's economic viability. That this was so was not as noticeable during the exceptional period of growth in the capitalist world economy after World War II. In the context of generalized growth,

PRFCA could afford to pay its workforce a slightly better rate than the social average.

At the point when the world capitalist economy began to contract in the early 1970s, PRFCA was forced to either rationalize its operation (holding down wages and fish prices and increasing management privileges such as contracting out to non-union work sites) or face the prospect of bankruptcy. This was, and remains, the limit to the progressive potential of co-operative forms of organizing production.

Economic and management upheavals during the late 1980s and early 1990s led to the dissolution of PRFCA. Despite having survived the crisis period of high interest rates and low fish prices during the late 1970s and early 1980s—a crisis that caused the financial collapse of many of the medium-scale private companies—PRFCA was unable to maintain its position in a fishing industry constantly beset by regulatory, ecological and economic crises. PRFCA's strength had resided in the support of a core group of members who owned their own fishing vessels. However, the continued retreat of the UFAWU throughout the 1980s (which led to lower fish prices for all fishers) plus a fundamental change in the structure of the international market for fish and fish products, combined with government regulations aimed at forcing small-scale fishers out of the British Columbia fishery, ultimately destroyed the core membership base of PRFCA.

In a sequence of emergency meetings during the fall of 1989, PRFCA's membership was asked to approve a series of cost-saving measures designed to save it. But it was too little too late and in 1991, the PRFCA membership voted to end its half-century of operation as a producer's co-operative. The road to PRFCA's collapse is littered with accusations of mismanagement and vested interests. Underlying it all, however, was the simple reality that PRFCA was unable to make the complete transition from co-operative enterprise to capitalist firm and, in the midst of the 1980s' economic crisis, lacked the flexibility of a fully capitalist firm to do

what was 'necessary' in terms of rationalization, cost cutting and taking the turn into the neoliberal marketplace. When all was said and done, one option was left: privatization.

Ultimately, co-operatives must respond to the inherent laws of accumulation under capitalism. At particular points in a co-operative's history, it may be possible, due to ideological commitment or favourable economic conditions, to ignore or override this economic imperative. However, the laws of the marketplace inevitably intervene and, as the history of PRFCA suggests, a co-operative either becomes a fully developed capitalist firm or collapses. **3**

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