

CORPORATE STRATEGY IN THE BRITISH  
COLUMBIAN FISH-PROCESSING SECTOR

by

Helen Lee

B. Sc., (Honours) University of Sheffield, 1979

THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF  
MASTER OF ARTS  
in the Department  
of  
Geography

C Helen Lee 1983  
SIMON FRASER UNIVERSITY

1983

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APPROVAL

Name: Helen Lee

Degree: Master of Arts

Title of Thesis: Corporate Strategy in the British  
Columbian Fish-Processing Sector

Examining Committee:

Chairperson: M.L. Barker

---

R. Hayter  
Senior Supervisor

---

M.E. Eliot Hurst

---

Noel E. Dyck<sup>d</sup>  
Associate Professor  
External Examiner  
Department of Sociology &  
Anthropology  
Simon Fraser University

Date Approved: March 31, 1983

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Corporate Strategy in the British Columbian

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Author: \_\_\_\_\_  
(signature)

Helen Lee

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(name)

March 31, 1983

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(date)

## ABSTRACT

The thesis examines the locational impacts of the corporate strategy of British Columbia Packers in the British Columbian fish-processing sector between 1902 and 1981. In particular, the implications of corporate strategy for the distribution of processing plants and the employment of the labour force are explored.

The strategy of British Columbia Packers is placed in the context of developments that have characterized western capitalist economies since the turn of the century; namely the transition from a predominantly competitive economic structure towards one dominated by oligopoly. In addition, the fish-processing sector of British Columbia is reviewed in terms of markets, supply, technological, organizational and employment trends throughout the period of study.

Analytically, the focus is upon four major periods of "rationalization" implemented by British Columbia Packers, which began in 1902, 1928, 1969 and 1980. These rationalizations were characterized by acquisitions, mergers and plant closures and they were of critical importance to the growth of the firm and the structure of the industry as a whole. Each of the rationalizations is examined first, in terms of the underlying corporate motivations and relevant environmental conditions, notably competitive, political, supply and technological conditions. Second, the rationalizations are examined from the perspective of the organizational, locational and employment characteristics of

the plants that were acquired and closed by British Columbia Packers.

The data sources used in the case study analysis of British Columbia Packers included diaries and reports of key corporate members, corporate annual reports, the Canadian Sessional Papers, newspapers and government statistics.

The relevant corporate motives and environmental conditions varied for each period. During all four rationalizations, however, the distribution of the processing plants became progressively spatially concentrated. Furthermore, the overall level of employment has experienced a continual decline since 1930 although cyclical fluctuations in employment have been significantly reduced. The corporation continues to exercise considerable discretion with regard to employee lay-offs. Corporate strategies in the pursuit of greater growth and the stability of processing operations have therefore not been associated with an increase in the level or stability of employment.

*For Ray Lee*

## ACKNOWLEDGEMENTS

Many thanks are owed to Geoff Meggs and Elias Stavrides of 'The Fisherman' for providing me with access to information concerning the union. Their help was invaluable.

I would like to acknowledge my senior supervisor, Dr. Roger Hayter and I would like to thank Dr. Noel Dyck who acted as the external examiner and committee member, Dr. Michael Elliot-Hurst.

Finally - a big thank you to the friends who offered their help and support during the last few years - Dr. Brian Jones, Paul and Q from the Paleontological Collections of the University of Alberta; Steve, Anne, Pat , Dave, Mary, Ray, Debbie and especially Larry for his aid with the graphics and his encouraging friendship.

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## I. INTRODUCTION

Commercial canning in British Columbia originated on the Fraser River between 1871 and 1874. The early years of the industry were characterized by low levels of industrial concentration, small firms owned and operated by individuals or partners, local proprietorship and capital and a highly competitive market structure. Between 1903 and 1913 the industry became dominated by relatively large companies resulting in a high degree of industrial concentration (Reid, 1975).

Since that time, corporate concentration has remained an important feature of the industry to the extent that one firm, British Columbia Packers Ltd., currently dominates an oligopolistic market structure in British Columbia. British Columbia Packers has gained increasing control of the fish-processing sector by employing a growth strategy that has predominantly comprised horizontal and vertical integration.

Within the British Columbian fish-processing sector there have been four major periods of rationalization. These began in 1902, 1928, 1968 and 1980 and during each of these British Columbia Packers played a dominant role by acquiring various companies. Subsequent consolidation of British Columbia Packers' holdings resulted in widespread plant closures, the concentration and centralization of production facilities and control and, the loss of employment for the people working in the industry. British Columbia Packers has

frequently argued that these rationalizations were important for enhancing employment stability in addition to meeting corporate objectives. It is this question - the relationship between corporate rationalizations and the distribution, level and stability of employment - that underlies the thesis.

The fishing sector as a whole has been somewhat neglected by the geographical discipline. A number of economic analyses that have been undertaken have concentrated on issues such as the structure of the industry (Schaeffer, 1978) and particularly in recent years, the issue of foreign investment (Molson, 1974; McKay, 1975; Proverbs, 1978; Quadra, 1979). The majority of contributions have come from the historical field and cover a range of issues. Gladstone (1959) examined industrial disputes in the fishing sector; Ralston (1965) carried out a detailed examination of the 1900 strike by the Fraser River fishermen and a recent study by Stacey (1978) focused on the early technology employed in the Fraser River salmon canning industry. Many of the historical contributions have centred on the turn of the century and, with the exception of Ross (1967), none have considered the spatial distribution of the plants. Moreover, Ross examined the distribution of canneries on the Fraser and Nass Rivers between 1877 and 1926.

In order to understand the implications of British Columbia Packers' corporate growth for the distribution, level and stability of employment in the British Columbian

fish-processing sector, it is argued that a broad perspective is necessary. It is essential to examine the firm's growth not only in a regional but also in a national and international context. This is because the progressive concentration that has occurred in the British Columbian fish-processing sector is not an isolated case. That is, the increasing centralization and concentration that has occurred in this industry are characteristic of a trend that has taken place in western capitalist economies towards the centralization of finance and production.

In 1962 British Columbia Packers was secretly acquired by George Weston Ltd., a giant conglomerate, which currently owns 85% of the shares and has full control. British Columbia Packers is now a small division of the George Weston Ltd. conglomerate related to the other operations only in its function as a source of profitability and growth to the parent enterprise. George Weston Ltd. was considered to be British until 1978 when the company underwent a status change to Canadian on the grounds that the head office was located in Toronto.

There is no guarantee that ownership by a large corporation enhances the long term stability of the industry or the employment of the labour force. It is quite feasible that George Weston Ltd. could divest itself of the fisheries division. That this is a possibility is apparent from the 1976 Canadian Royal Commission on corporate concentration that stated:

"The profits in George Weston Ltd.'s Fisheries Division are relatively low due to volatile swings in world demand for and supply of sea foods and the large amount of capital required for inventories. Is this business compatible with management's goal of generating above average return and capital achieving consistent growth of profit? "  
(Royal Commission on Corporate Concentration, 1976).

Decisions within the industry appear to be based on the contribution to integrated corporate operations and profitability rather than on the basis of community or provincial priorities. It is this gap between corporate economic objectives and communal social objectives that is fundamental to the thesis.

The history of economic development in British Columbia appears to have been based on the assumption that large companies are a pre-requisite for the utilization of the region's natural resources. This has been reinforced by the role that the Provincial government has played in encouraging and aiding corporate development (see for example Bradbury, 1977). There has been virtually no attempt to postulate or experiment with alternative approaches to planning and development.

If one examines the case of the Icelandic or Norwegian fisheries, however, it is evident that there are alternative methods of organization that are efficient. A study by Brox (1972), which drew a number of comparisons between the Newfoundland fisheries and those in Iceland, Norway and Great Britain, raised several issues pertinent to the case of British Columbia. The processing sectors in Norway and

Iceland, for example, have retained the traditional scattered distribution of processing in the outlying ports. In both nations processing is locally owned and controlled. The fundamental unit in the Icelandic case is a publicly operated co-operative that establishes a fixed minimum price for the fishermen. The emphasis has been placed on the marketing structure and capital funding, in the form of loans, to the fisherman. The underlying rationale has been to generate economically secure, self-supporting communities.

In Norway, the industry is similarly dispersed but in this case the plants are operated by small private entrepreneurs. Since 1938 a fixed minimum price has been guaranteed to the fisherman and this has helped to eliminate the conflict that characterizes the West coast fisheries every season. Both countries have established an efficient and profitable industry for the fishermen, processing employees and in the case of Norway, for the entrepreneur. Despite the guarantee of a fixed minimum price, there have only been a few years when either of the respective governments have been called upon to subsidize the operations.

In contrast, the Newfoundland industry is characterized by large companies operating in bigger centres such as St. John's juxtaposed with fishermen salting fish for their own consumption in the outlying ports where typically no local processing takes place. There is no guaranteed minimum price



yet the fishermen are relatively heavily subsidized in the form of welfare payments from the Federal government. There appears to be a deeply ingrained perception here that the price of fish is a given, exogenous factor and therefore beyond control (Brox, 1972).

Whilst the British Columbian industry differs from that in Newfoundland in terms of better wages and relatively higher prices paid for fish, the plants are concentrated and bitter conflict exists in the industry. The fundamental distinction between the Norwegian and the Canadian examples appears to be a greater commitment by the latter towards the freer play of market forces. One result of this philosophy has been an increase in the spatial concentration of the fish-processing industry in larger population centres. Clearly, as Brox (1972) demonstrates, this trend need not be regarded as inevitable but needs to be placed within a specific socio-economic context and developmental philosophy.

### **Scope and Objectives**

The thesis explores the locational effects of British Columbia Packers' corporate strategy during the period from 1902 to 1981. The thesis comprises two major, but related objectives. The first objective is to examine how the rationalization policies of British Columbia Packers influenced the spatial distribution of fish cannery plants in the fish-processing sector of British Columbia between 1902 and 1981. The second is to trace some of the

implications of British Columbia Packers' corporate strategy for the distribution, level and stability of employment of the labour force.

Analytically, the thesis focuses upon four major periods of rationalization implemented by British Columbia Packers which began in 1902, 1928, 1969 and 1980. These rationalizations were characterized by acquisitions, mergers and plant closures and were critically important to the growth of the firm and the structure of the industry as a whole. Each of the rationalizations is examined in terms of the underlying corporate motivations and the relevant environmental conditions, notably competitive, political, supply and technological conditions. Secondly, the rationalizations are examined from the perspective of the organizational, locational and employment characteristics of the plants acquired and closed by British Columbia Packers.

It should also be noted that although the fishing and the fish-processing industries are highly integrated, the focus of the thesis is on the processing sector and not with the fishing effort per se.

In the thesis, the term 'level of employment' simply refers to the number of people employed. Stability of employment is defined in terms of implying change in the level of employment. As there is little available data to illustrate seasonal employment fluctuations, the concern here is with the question of stability from a long term point of view.

An important limitation facing this study concerns the availability of data. A body of relevant data on British Columbia Packers' operations in British Columbia is not publically or readily available. In practice considerable effort was expended in the collection of disparate evidence. However, it is argued here that a case study is a useful way to examine a powerful firm whose decisions have such an important bearing on aggregate changes in the entire fishing industry. A case study over a long period of time helps to illustrate the dynamic processes taking place within a particular economic and political environment. These are frequently ignored in a static cross-sectional analysis. Furthermore, this approach enables the qualitative relationships that exist between the firm and other institutions, again often neglected in a more traditional approach, to be brought out.

### **Framework**

Within economic geography the traditional, neo-classical approach towards industrial location assumed firms to be of a 'black box' character whereby a firm's decision-making is regarded as an automatic response to a given environment over which it is powerless. It follows that the question of location then becomes one of identifying the appropriate cost and revenue factors. For traditional locational theory the case of the fish-processing sector provides a classic example of the

'raw material' orientation of production facilities. This is because of the substantial loss in weight, bulk and perishability of the fish that takes place during processing. In this approach labour is regarded solely as a factor of production, that is, an item of cost. Moreover there is little interest in this approach for the processes by which firms open, acquire and adjust facilities over time.

Examining a firm in such a narrow context neglects a number of important issues; the role of power, the interaction between the firm and other institutions, the underlying trends taking place within the structure of the international economy and the social impact of corporate decision-making on employment. Firms, especially large ones, do possess power which they exert to determine and to influence their environment. At the same time, decisions made by firms are moulded by institutions within their environments such as the state and trade unions. The nature of these inter-dependencies between firms and their environments does not necessarily result in an 'harmonious space economy', so often implied in conventional theory. Instead there is continual conflict as each organization struggles to achieve goals that are only partially overlapping.

One of the major limitations of the neo-classical approach lies in its inability to analyse the problems that arise from the behaviour of large firms. During the past

twenty years there has been a growing interest in the 'geography of enterprise' (Hayter & Watts, 1983) largely instigated by McNee (1958). The main, though not exclusive thrust, of this research has been the focus on the large industrial, multi-plant, multi-product firm. Despite the increasing volume of literature in the discipline there has been no generally accepted framework proposed within which large firms can be examined. A recent paper by Hayter & Watts (1983) offers a re-appraisal of the enterprise approach which they define as thus:

"the study of the influence of the policies and structures of multi-product multi-plant enterprises on changes in industrial location and on processes of regional development"

There appears to have been a general realization within economic geography that firm behaviour needs to be examined in its environmental context rather than as a single entity. The environment is, nevertheless, a difficult and complex concept to define. Broadly speaking, the environment of a firm is the aggregate of all economic, technological, social, political and cultural conditions which influence and are themselves affected by the behaviour of a firm. In part then the environment encompasses institutions such as other firms, governments and unions.

As a point of departure, this thesis adopts the suggestion of Hamilton and Linge (1979), that organizations need to be examined in a world context be it capitalist, mixed or planned. Although this can be criticized on the grounds that it can lead to a broad descriptive study (Wood,

1981), nevertheless its real advantage lies in avoiding a simplistic treatment of the firm. Even so, the question arises as to what part of the 'world environment' should be emphasized. In this thesis the appropriate environment of the firm is interpreted in a similar manner to Dill's (1958) concept of a firm's task environment.

According to Dill (1958), the task environment of a firm comprises four components; suppliers, customers, competition and regulatory agents, This is expanded here, however, to include institutions such as unions.

The underlying methodological argument is that 'spatial effects' need to be understood in the broader terms of the interplay between the firm's environment and the firm's strategies in coping with this environment. In this respect the concept of strategy refers to the allocation of resources and the selection of policies that will achieve long run objectives for example, growth, survival, stability, flexibility of investment, profitability and efficiency. Corporate strategy, in other words, is itself shaped by both environmental forces and internal motives. In focusing on the long term corporate strategy and the locational implications of this strategy, the thesis is consistent with the ideas perpetrated by Krumme and Hayter (1975), Clark (1981), Watts (1980) and Hayter and Watts (1983).

The structure of the thesis reflects the methodological perspective that has been chosen. Thus, in the following

chapter the growth of corporate concentration and the nature of corporate strategies are discussed in global or at least continental terms. In addition the broad relationships between corporations and the labour force, represented by the union, are identified.

In Chapter Three the fish-processing sector of British Columbia is reviewed in terms of market, supply, technological, organizational and employment trends. This discussion provides the specific sectoral conditions in which to examine the corporate strategies of British Columbia Packers. Chapters Two and Three together provide the macro-context in which to examine the micro-behaviour of the firm.

In Chapters Four, Five and Six the nature of British Columbia Packers' corporate strategies is outlined in some detail. The effect that these had on the spatial distribution of the fish-processing plants is explored and the implication of corporate policies for employment stability is examined.

### **Data Sources**

The material used for the case study of British Columbia Packers included the diaries of Henry Doyle, the original manager of the British Columbia Packers Association, which extend over a period from the late 1890's to the 1920's, the Canadian Sessional Papers (1880-1926), the annual reports of British Columbia Packers (1931-1981),

an extensive study by Lyons (1969), a long term employee of British Columbia Packers and various newspapers. There is virtually no quantitative employment data available for the periods of rationalization that were implemented by British Columbia Packers in 1902 and 1928. During that period even the plant managers had little idea of the number of people employed at a plant; there is therefore virtually no statistical material.

The qualitative sources of information pertinent to the labour force and the settlements they lived in are rather piecemeal. They include oral histories by various people who had lived in fishing settlements and worked in the canneries and scattered information from books written about individual settlements in British Columbia (Dalzell, 1968; Wicks, 1976; Knight, 1978).

In the earlier periods it has been possible to piece together rather disparate qualitative material in order to suggest the possible effect that corporate strategy had on employment. Quantitative data are more readily available during the later periods of rationalization. Finally the material concerned with the development of the union was principally drawn from the United Fishermen and Allied Workers Union (UFAWU), in particular their newspaper, *The Fisherman*, which has been published since the 1930's.



## II. The Evolution of the Industrial State

The philosophy underlying the framework that has been adopted to examine the growth of British Columbia Packers in a global context is essentially Galbraithian. The emergence of the British Columbia Packers Association in 1902. occurred at a time when the structure of many western capitalist economies was undergoing a trend from a predominantly competitive capitalist nature towards one dominated by oligopoly. This transition was indicative of a trend towards what Galbraith (1967) terms the rise of the 'industrial state'. In this chapter some of the characteristics of the industrial state will be considered.

Four major themes will be outlined in the current chapter:

1. The emergence and nature of large corporations as a stage in the evolution of the capitalist system as a whole towards oligopoly, as outlined by Galbraith.
2. The goals of large corporations.
3. The strategies of growth employed by large firms under these conditions.
4. The employment implications of the growth strategies of large firms and the relationship between corporate behaviour and the role of the union.

### **The Emergence and Nature of Large Manufacturing Corporations**

The economic structure that currently characterizes western capitalist economies stands in marked contrast to

the structure that was typical of the late nineteenth century. The specific historical structure of capitalism has of course varied between nations and the trends that have taken place have been neither identical across space nor in time.

In the early nineteenth century competitive capitalism was the predominant form of market relations in Great Britain and to a lesser extent in other Western European nations. The industrial sector in general was characterized by numerous small firms operating within the confines of a market system. Firms were relatively small and accounted for a relatively small share of the market. They had virtually no control over their supply or demand markets. Technology was relatively simple and the capital supply was usually external to the firm. The market was regarded as the sole mechanism controlling supply, demand, costs and prices and the prime objective of the entrepreneur was regarded as the maximization of profit.

Prior to the nineteenth century large scale 'private sector' companies, especially in the financial and trading spheres, were by no means uncommon. However, the widespread emergence of large companies in the manufacturing sector can be traced in the United States towards the end of the nineteenth century. Many of the trends that took place in Canada followed a little later in time.

Various conditions were conducive to the emergence of large scale manufacturing organizations at that time. The

railroads in the United States fostered the growth of industrial enterprises by creating massive requirements for construction and in turn by extending the extent of the national market that could be served by any one firm. After the 1870's when the West had become increasingly settled, there was a rapid growth of commercial and industrial centres. This further encouraged many firms to expand to meet the requirements of an urban market. In addition, to improvements in transportation and communication facilities, the large manufacturing organization was encouraged by the possibility for realizing scale economies, brought about by technological innovations, the introduction of the concept of limited liability and important changes in the laws of incorporation.

More generally, Galbraith (1967) regards the application of increasingly sophisticated and complex technology to production as having been fundamental to the changes that have taken place in business organization. Technology, the systematic application of scientific or other organized knowledge to practical tasks forces the division of a task into its component parts. Galbraith argues that progressive improvements in technology throughout the twentieth century have increased the time span from the beginning to the completion of a task, raised capital requirements, made machinery more inflexible and greatly increased the level of manpower specialization. At the same time technological change has encouraged a greater

commitment to long term planning. In turn, these developments have required the evolution of large scale organizations. Moreover, Galbraith argues that as firms have grown larger and more powerful the goals of society have become increasingly shaped by the goals of the corporate system.

### The Goals of the Industrial State

Under conditions of competitive capitalism, the prime motivation of a firm was assumed to be the maximization of profit. With the widespread existence of oligopoly this neo-classical assumption has since been recognized as somewhat unrealistic.

According to Galbraith (1967) there are two overriding corporate goals; survival and growth. Survival is of the utmost importance to a firm in order to preserve the autonomy upon which its decision-making power depends. It is therefore essential that a firm continues to grow to protect against contraction. A diverse investment base increases the chances of survival in the event of an economic depression or a change in the political climate. Survival necessarily requires a high level of profitability to ensure security for a firm and control over its supply of capital.

The distinction between this and the neo-classical assumption of profit maximization is that even if maximization of profit was the prime goal of a firm it is not the market that is specifying and enforcing that goal

and it is not the goal in the short term. Indeed the fact that prices tend to remain relatively stable over periods of time despite changes in costs and demand indicates that firms pursue other goals, at least in the short run.

In short, a secure level of earnings and a maximum rate of growth consistent with the provision of revenues for the requisite investment are prime objectives of a modern corporation. After this, the firm then has a variety of other goals open to it such as technological virtuosity, an increasing rate of dividend and so forth. These must not, however, interfere with the former.

The question that follows from an examination of the goals of a firm is, to what extent are the goals of a corporation reflected in the goals of society as a whole, of the workforce in a particular industry or of the individual employee. In certain respects the majority of society adheres to the goals of a modern corporation. After all, an increase in the production of goods, related to the expansion of a firm is related to an increase in the standard of living for many people and the provision of jobs. Indeed, most societies today measure the progress of a nation by its gross national product.

### **Strategies of Firm Growth**

Expansion by firms may be of an internal (investment in new facilities), or an external (acquisition or merger with existing facilities of other companies) nature. Three basic

types of strategy are commonly broadly classified as horizontal, vertical and conglomerate integration. All three were important in British Columbia Packers' corporate policy.

Horizontal integration involves the expansion of a firm's existing products to increase penetration in the market place. The effect of this, inevitably, is to reduce the level of competition. Ultimately production becomes increasingly concentrated in the hands of fewer and fewer firms. In this regard it is widely supposed that the most intense period of horizontal integration in the United States and Canada occurred around the turn of the century (Tables 2.1 and 2.2). Certainly, horizontal integration was important in the fish-processing sector of British Columbia at this time.

Firms may also grow through strategies of vertical integration. Backward integration, which involves investment in activities which provide inputs to existing operations, is done in part to exert control over the prices paid for raw materials as well as for the quality and quantity of inputs. Forward integration into activities which consume, manufacture or distribute goods produced by the existing activities of the firm also seeks to eliminate as much uncertainty as possible in addition to generating future growth. The importance of vertical growth lies in the control of the supply and demand markets that are essential for the long term planning of a firm. It is critically

Table 2.1 - Percentage of Mergers by Type for manufacturing  
firms in Canada: 1900-1973

| Period    | Horizontal | Vertical | Conglomerate | Total |
|-----------|------------|----------|--------------|-------|
| 1900-1909 | 90         | 4        | 6            | 100   |
| 1910-1919 | 85         | 10       | 5            | 100   |
| 1920-1929 | 85         | 11       | 4            | 100   |
| 1930-1939 | 88         | 7        | 5            | 100   |
| 1940-1949 | 83         | 19       | 8            | 100   |
| 1945-1961 | 63.9       | 23       | 13.1         | 100   |
| 1960-1968 | 63         | 19       | 18           | 100   |
| 1968-1973 | 56         | 18       | 25           | 100   |

Source: Lecraw and Thompson, 1978.

Table 2.2 - Percentage Distribution of Types Of Merger  
in the United States: 1948-74

| UNITED STATES: 1948-1963                      | 1967  | 1972  | 1973  | 1974  |
|---|-------|-------|-------|-------|
| Broad Horizontal. . . . .67.02%               | 70%   | 58.6% | 52.7% | 62.9% |
| Horizontal and<br>Other. . . . .23.31%        |       |       |       |       |
| Geographic<br>Market<br>Extension. . . .5.64% |       |       |       |       |
| Product<br>Extension. . . .38.17%             |       |       |       |       |
| Vertical. . . . .19.89%                       | 8.9%  | 17.2% | 12.7% | 4.8%  |
| Conglomerate. . . . .12.74%                   | 21.2% | 24.1% | 34.5% | 32.3% |

Source: Globerman, 1977.



important for a corporation heavily dependent on natural resources such as British Columbia Packers.

Conglomerate growth refers to the simultaneous diversification of products, markets and technology (Ansoff, 1969). Essentially, conglomerate growth renders many diverse areas, unrelated to each other in terms of production except as sources of profitability and growth to the parent organization, subordinate to the control of one company. It has become increasingly important, relative to horizontal and vertical integration, since the 1960's. It is this stage that enables a firm to diversify its investment base to the extent that it controls various industries in different regions and nations. It is therefore important in offsetting contraction in the event of economic depression, a decline in natural resources or a change in the political climate. The acquisition of British Columbia Packers by George Weston Ltd. firmly integrated the British Columbian fish-processing sector within an internationally based conglomerate.

In the same way that the events in the industry around the turn of the century reflected wider trends, so did those of the late 1960's. Globerman's study of post war merger activity indicates that the period from 1968 to 1972 was one of intense merger activity throughout Canada. This pattern followed the United States (Table 2.2) quite closely. In the long run the overall merger activity experienced in many western industrialized economies has been similar over time and across industrial sectors.

## Corporations and Employment

The implications of corporate behaviour for the distribution, level and stability of employment is a further consideration relevant to the thesis because the major social impact of corporate strategy is ultimately felt by the labour force.

Corporations have tended to regard labour as a commodity, to be hired and fired according to market conditions and they have attempted to attain a high degree of productivity at the lowest possible price. In this regard, however, corporate power has not gone entirely unchallenged. Trade unions represent an attempt by the labour force to both challenge and ameliorate this power. Unions, like firms, are organizations with their own goals and objectives and methods of obtaining them.

It has been recognized by several authors that the fundamental changes brought about by trade unions have been essentially economic. Some have argued that in the case of Western Europe and North America, unions have not influenced political conditions to any significant extent (Flanders, 1970; Benyon, 1972). Benyon (1972), for example, suggests that unions have fundamentally evolved as defensive mechanisms, essential to protect the workers in a vulnerable labour market. However, he further argues that they are incapable of altering the fundamental power relationships that exist in the capitalist economic system. This is because trade unionism has dominated the way that workers

have carried out their struggles. In other words, workers have failed to firmly link together their objectives in an effort to produce radical political demands.

Such a perspective has been criticized for example by Flanders (1970) on the grounds that it implicitly rejects simple trade unionism for what it is. Furthermore, it implies that the inevitable limitations of trade unionism need to be overcome by an outside revolutionary movement. Flanders contends that trade unions have in their own way gradually brought about change in society, but not necessarily by aligning themselves to a particular political party. Many of the issues that Flanders raises are pertinent to the union in the fish-processing sector and will be briefly considered.

Flanders argues that in the case of many Western industrialized economies since the post second world war period, the first and overriding responsibility of a trade union, has become the welfare of its own members. While this does not negate acting as part of a wider society, the union fundamentally exists to promote the interests of its own group. This is an important point; in protecting the interests of its own members a trade union is acting no differently to any other professional body or interest group in society. It is essential to realize that a fundamental role of any union is to try and limit the power and authority of employers to reduce the dependence of working people on market fluctuations and management's arbitrary

will.

By engaging in the activity of collective bargaining, a union undertakes not only to improve the terms and conditions of employment, but also to establish and regulate wages and general working conditions. The rules of collective bargaining help to protect not only the material standard of living for its members but also their security, self-respect and dignity as human-beings. In establishing the right to a certain wage, the right not to have to work long hours, the right to decent working conditions and the right not to have to undertake certain dangerous tasks, the trade union movement has achieved a code of industrial rights that would never have been otherwise attained.

Whilst this may not have necessarily been the original motivation of many trade unions, it was characteristic of the union that developed in the fish-processing industry. The union emerged in an attempt to improve the working conditions in the industry. There never appeared to be a movement that envisaged bringing about an alternative mode of production either in the industry or in the nation as a whole.

### III. Structural Changes in the Fish-Processing Industry 1880-1980.

The purpose of this chapter is to provide an overview of the structural changes that have taken place in the fish-processing industry in British Columbia in order to provide an appropriate context in which to examine the corporate strategy of British Columbia Packers and the impact that this had on employment. In particular, the chapter reviews changes in the organizational, supply, market, employment and technological characteristics in the fish-processing sector of the province and where relevant in Canada as a whole since the 1870's.

The analysis is based on data drawn from the Fisheries statistics of Canada and British Columbia, the Henry Doyle Papers and the annual reports of British Columbia Packers. The following definition of the fish-processing industry and a fish-processing establishment is offered by Statistics Canada; the industry comprises establishments engaged in canning, filleting, freezing, curing or otherwise processing fish, molluscs or crustaceans. An establishment is one that is primarily engaged in the production of fish meal or oil or marine animal oil, or in the harvesting and drying of marine vegetable products (Statistics Canada, 1981).

In the early years the industry was in fact dominated by salmon canning and salmon canneries were the predominant establishment. Since then, while salmon canning has remained the dominant type of processing activity within the

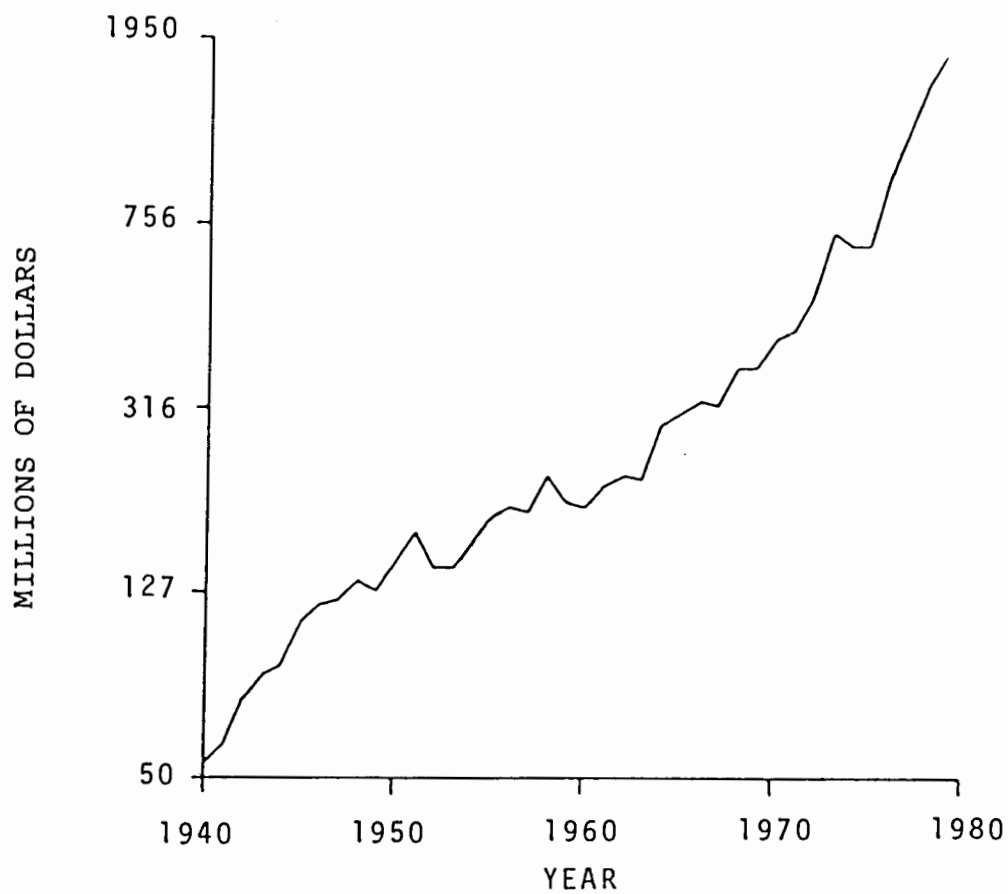
industry, other species have increased in importance. As a result data for the early years of the industry refer to salmon canning exclusively and for more recent years they refer to all types of fish-processing activities.

### **Industrial Trends in Canada and British Columbia**

The actual weight of fish landed in Canada has remained relatively unchanged since the 1940's. The value of fish and fish products in current prices, however, has risen substantially especially since the 1960's as illustrated in Figure 3.1. Regional shares have varied somewhat owing to the availability of different species in certain years and even to strikes. Between 1940 and 1950 British Columbia's share of the total value of the Canadian fisheries averaged 40%. Since then it has fluctuated around 30%. The two other major producing areas in Canada are Nova Scotia and Newfoundland.

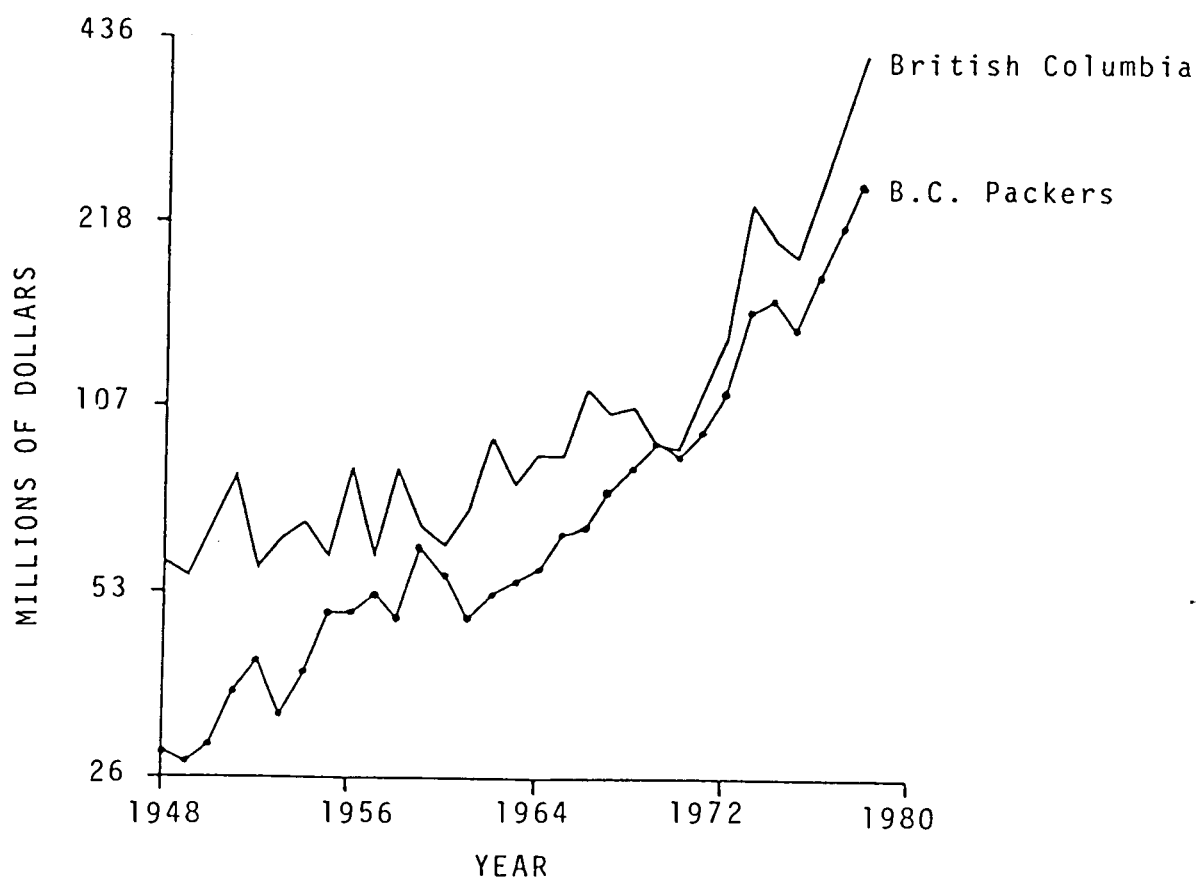
The value of fish products in British Columbia has followed a similar trend to Canada as a whole. Figure 3.2. illustrates the steady increase from the 1950's and, the acceleration in value that occurred at the end of the 1960's and has continued to the present time. Compared to other products, fish has become relatively more valuable in recent years. The unit value of fish products has increased more rapidly than the average of all Canadian commodities measured by the wholesale price index.

FIGURE 3.1 - VALUE OF CANADIAN FISH AND FISH  
BY-PRODUCTS: 1940-79



Source: DBS. Annual Report of the Department of Fisheries

FIGURE 3.2 - VALUE OF SHIPMENTS OF FISH AND FISH BY-PRODUCTS FROM BRITISH COLUMBIA.  
NET SALES OF BRITISH COLUMBIA PACKERS: 1948-78



Source: DBS. Annual report of the Department of Fisheries  
Annual report of British Columbia Packers



## The Distribution of Canneries

Fish canning and specifically salmon canning first began in British Columbia on the Fraser sometime between 1871 and 1874. The opening up of the Northern region took place a little later on the Skeena River in 1876, the Nass River in 1881 and Rivers Inlet, in the Central region, in 1882. The early period was characterized by numerous small companies operating predominantly with local capital from Victoria and New Westminster. Firm birth and death rates tended to be high in this risky business because of two major factors. The fish runs were highly variable, fluctuating on a four year cycle in which one year was dominant, one subordinate and two intermediate. Many firms went bankrupt because it was relatively difficult to obtain the long run operating capital that was necessary. During the early years of the industry a period of eighteen months capital was required to cover the costs of production prior to the sale of the pack by commission agents who also provided the canning and fishing supplies (Ralston, 1965). As a result, there was a continuous change in cannery ownership. This is illustrated for the period 1890 to 1901 in Tables 3.1. and 3.2. during which time the plants were primarily salmon canneries.

The data in Figure 3.3. was compiled from Lyons' material; although she does not specify the definition of an establishment, all of those indicated do can salmon. The number of canneries in British Columbia rose sharply during

Table 3.1 - Salmon canneries operating in  
British Columbia - 1890.

| CANNERY              | OWNER                        | BUILT |
|----------------------|------------------------------|-------|
| <i>Fraser River</i>  |                              |       |
| Phoenix              | English & Co.                | 1882  |
| Richmond             | J.H. Todd & Son.             | 1882  |
| Beaver               | " "                          | 1889  |
| Wadhams              | E.A. Wadhams                 | 1883  |
| British-American     | British-American Packing Co. | 1882  |
| Canoe Pass           | Drysdale & Co.               | 1889  |
| Harlock              | Harlock Packing Co.          | 1887  |
| Fraser River         | British Columbia Canning Co. | 1876  |
| Annieville           | British Columbia Packing Co. | 1878  |
| Garry Point          | Hobson & Co.                 | 1889  |
| Brittania            | Duncan, Batchelor & Co.      | 1890  |
| Bon Accord           | Ewen & Co.                   | 1879  |
| Sea Island           | " "                          | 1890  |
| Canoe Pass           | Adair & Co.                  | 1880  |
| Lion Island          | Ewen & Co.                   | 1876  |
| Sapperton            | Laidlaw & Co.                | 1881  |
| Delta                | Delta Canning Co.            | 1878  |
| <i>Skeena River</i>  |                              |       |
| Windsor              | British Columbia Canning Co. | 1878  |
| Inverness            | Turner, Beeton & Co.         | 1876  |
| Balmoral             | Bryness & Cuthbert           | 1883  |
| N. Pacific           | N. Pacific Canning Co.       | 1889  |
| Boston               | British-American Packing Co. | 1883  |
| Cunningham           | Skeena Packing Co.           | 1883  |
| Standard             | Laidlaw & Co.                | 1890  |
| <i>Nass River</i>    |                              |       |
| McLellan             | A.J. McLellan                | 1888  |
| Nass Harbour         | British Columbia Canning Co. | 1881  |
| Cascade              | Laidlaw & Co.                | 1889  |
| <i>River's Inlet</i> |                              |       |
| River's Inlet        | British Columbia Canning Co. | 1882  |
| Victoria             | " "                          | 1882  |
| Wannock              | Wannock Packing Co.          | 1884  |
| <i>Outlying</i>      |                              |       |
| Alert Bay            | Alert Bay Packing Co.        | 1881  |
| Bute Inlet           | Hobson & Co.                 | 1890  |
| Low's Inlet          | Low's Inlet Packing Co.      | 1890  |

|                |                       |      |
|----------------|-----------------------|------|
| Quashela       | Quashella Packing Co. | 1883 |
| Garner's Inlet | Price & Co.           | 1890 |

Information compiled from the Annual report  
of the Department of Fisheries and Oceans, 1891.  
Canada Sessional Papers.

Table 3.2 - Salmon Canneries Operating in  
British Columbia - 1901.

| CANNERY             | OWNER                             | BUILT |
|---------------------|-----------------------------------|-------|
| <i>Fraser River</i> |                                   |       |
| Fraser River        | Anglo-American Canning Co.        | 1896  |
| Albion              | Currie & McWilliams               | 1899  |
| Atlas               | Atlas Canning Co.                 | 1895  |
| Anglo-American      | Penzance & Crowden                | 1896  |
| Alliance            | Alliance Canning Co.              | 1895  |
| Acme                | Acme Canning Co.                  | 1899  |
| Brittania           | Anglo-British Columbia Packing Co | 1890  |
| Brunswick #1        | Buttimer & Dawson                 | 1893  |
| Brunswick #2        | " "                               | 1897  |
| Beaver              | J.H. Todd & Son.                  | 1889  |
| Brunswick #1        | Buttimer & Dawson                 | 1893  |
| British-American    | Anglo-British Columbia Packing    | 1882  |
| Birrell's           | " "                               |       |
| Boutillier's        | Boutillier & Co.                  | 1895  |
| Canadian Pacific    | Canadian Pacific Canning Co.      | 1893  |
| Curries             | Albion Island Canning Co.         | 1897  |
| Colonial            | British Columbia Packing Co.      | 1897  |
| Celtic              | Welsh Bros.                       | 1897  |
| Canoe Pass          | Anglo-British Columbia Packing    | 1897  |
| Cleeve              | Cleeve Canning Co.                | 1897  |
| Dea's Island        | British Columbia Canning Co.      | 1875  |
| Delta               | Victoria Canning Co.              | 1878  |
| Dinsmore Island     | Dinsmore Island Canning Co.       | 1894  |
| Ewen's              | Ewen & Co. (dummy)                | *     |
| English Bay         | United Canneries Co.              | 1898  |
| Federation          | Federation Brand Salmon Canning   | 1899  |
| Fraser River        | Canadian Canning Co.              | 1876  |
| Fishermen's         | Turner, Beeton & Co.              | 1894  |
| Gulf of Georgia     | United Canning Co.                | 1894  |
| Great Northern      | Great Northern Canning Co.        | 1900  |
| Greenwood           | Greenwood Canning Co.             | 1899  |
| Harlock             | Victoria Canning Co.              | 1887  |
| Hume's              | J.H. Hume & Co.                   | 1896  |
| Industrial          | Fraser River Industrial Society   | 1896  |
| Imperial            | R. Ward & Co.                     | 1893  |
| London              | Turner, Beeton & Co.              | 1895  |
| National            |                                   |       |
| Phoenix             | Anglo-British Columbia Packing    | 1882  |
| Pacific Coast       | Pacific Coast Packing Co.         | 1893  |
| Provincial          | Provincial Canning Co.            | 1896  |
| Premier             | Bryn & Walker                     | 1899  |
| Richmond            | J.H. Todd & Son.                  | 1882  |
| Scottish-Canadian   | United Canning Co.                | 1899  |

|                |                                |      |
|----------------|--------------------------------|------|
| Star           | Canadian Canning Co.           | 1895 |
| St. Mungo      | St. Mungo Packing Co.          | 1899 |
| Terra Nova     | Turner, Beeton & Co.           | 1892 |
| Vancouver      | Canadian Canning Co.           | 1896 |
| Wadhams        | Anglo-British Columbia Packing | 1883 |
| Westminster    | Westminster Packing Co.        | 1896 |
| Westham Island | Macdonald Bros.                | 1896 |
| Wellington     | Victoria Canning Co.           | 1895 |

### *River's Inlet*

|               |                                |      |
|---------------|--------------------------------|------|
| Wannock       | Victoria Canning Co.           | 1884 |
| Brunswick #3  | Buttimer & Dawson              | 1896 |
| River's Inlet | "                              | 1897 |
| Victoria      | British Columbia Canning Co.   | 1882 |
| Wadhams       | E.A. Wadham                    | 1897 |
| Vancouver     | Vancouver Canning Co.          | 1897 |
| Good Hope     | Anglo-British Columbia Packing | 1895 |

### *Skeena River*

|            |                                |      |
|------------|--------------------------------|------|
| Carlisle   | Carlisle Canning Co.           | 1895 |
| Inverness  | Turner, Beeton & Co.           | 1876 |
| Boston     | British-American Packing Co.   | 1883 |
| Ladysmith  | J. Turnbull                    |      |
| N. Pacific | Anglo-British Columbia Packing | 1889 |
| Skeena     | P. Herman                      | 1900 |
| Balmoral   | Bryn & Cuthbert                | 1883 |
| Claxton    | Royal Canadian Canning Co.     | 1892 |
| Herman's   |                                |      |
| Standard   | Victoria Canning Co.           | 1890 |
| Mill Bay   |                                | 1878 |

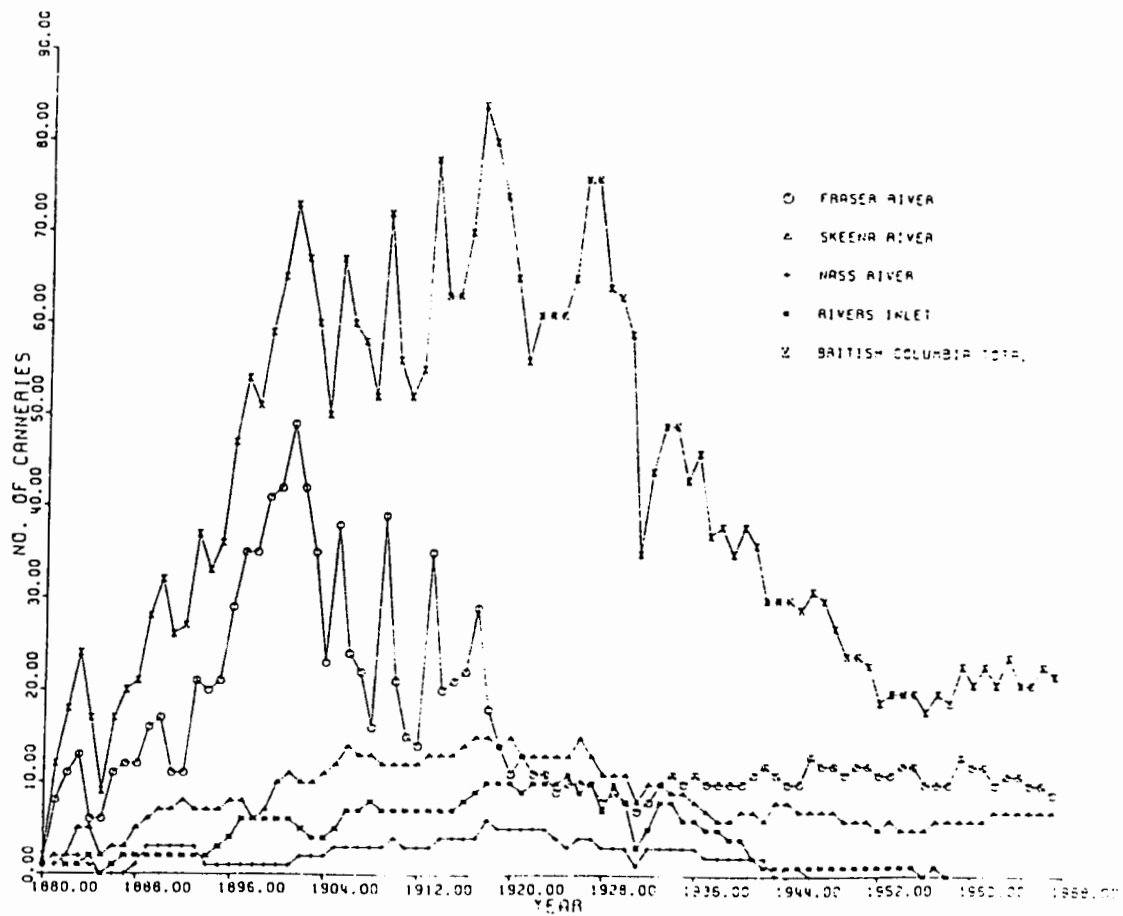
### *Nass River* Cascade

### *Outlying*

|                |                            |      |
|----------------|----------------------------|------|
| Skidegate      |                            |      |
| Alert Bay      | A.S. Spencer               | 1881 |
| Clayoqout      | T.E. Earle & Co.           | 1895 |
| Bella Coola    | R. Draney                  | 1900 |
| Namu           | "                          | 1893 |
| Kimsquit       | "                          | 1901 |
| Princess Royal | Princess Royal Packing Co. | 1900 |
| Low Inlet      | Cunningham & Rhode         | 1890 |

Information compiled from the annual reports of the Department of Fisheries and Oceans, 1902.

FIGURE 3.3 - SALMON CANNERIES OPERATING IN  
BRITISH COLUMBIA: 1880-1969



Source: Lyons, C. 1969

the 1880's until 1900 and then proceeded to level off until 1930; the maximum number to operate at any time was eighty four in 1916. After 1930, although the number of canneries fluctuated, there was a marked overall decline until the 1960's when the number in operation levelled off once more.

A problem arises over the availability and disaggregation of the data illustrated in Tables 3.1 to 3.4. Until the early 1920's the annual reports of the Department of Fisheries and Oceans provided data that specified the individual plants and their location and it is clearly evident that the majority were engaged in salmon canning. Since the 1920's although Lyons provides aggregate data for the total number of salmon canneries until 1969 and the Dominion Bureau of Statistics provides similar data up to the present time, the identification of individual plants was only resumed in the government statistics during the 1950's. However, no distinction was made as to the specific type of fish-processing activity undertaken at the individual plants. Hence the data in Tables 3.3 and 3.4 and in Figs. 3.5 and 3.6 refer to all processing establishments. Given the predominance of salmon in the region it might be noted that the largest employers in 1978 (Table 3.4) include salmon canning amongst other activities, while the smaller establishments (many of which employ less than fifty people) tend to be engaged in the processing of seafood such as shrimp, lobster and prawns.

Table 3.3 - Processing Establishments operating in  
British Columbia - 1967.

| COMPANY                                 | PLANT LOCATION |
|---|----------------|
| Adanac Bait Co. Ltd.                    | Burnaby        |
| Anglo-British Columbia Packing Co. Ltd. | Skeena River   |
|   | Steveston      |
| Arctic Seafood Products Ltd.            | Burnaby        |
| Aristocrab Seafoods Ltd.                | Vancouver      |
| Atlin Fisheries Ltd.                    | Prince Rupert  |
| Babcock Fisheries Ltd.                  | Prince Rupert  |
| Booth Fisheries Ltd.                    | " "            |
| Bralaska Industries Ltd.                | Campbell River |
| British Columbia Packers Ltd.           | Namu           |
|   | Prince Rupert  |
|   | Steveston      |
|   | Sunnyside      |
|   | Vancouver      |
|   | Victoria       |
| Canadian Fishing Co. Ltd.               | Vancouver      |
|   | Butedale       |
|   | Prince Rupert  |
|   | Steveston      |
| Cassiar Packing Co. Ltd.                | Vancouver      |
| Fjord Packing Co. Ltd.                  | N. Vancouver   |
| Fukuyama & Suguiyama                    | Burnaby        |
|   | West Vancouver |
| Imperial Salmon House                   | Vancouver      |
| Mac's Oysters Ltd.                      | Fanny Bay      |
| Millbank Industries                     | Bella Bella    |
| Murray Fish Co. Ltd.                    | Vancouver      |
| National Fisheries Ltd.                 | Vancouver      |
| Nelson Bros. Fisheries Ltd.             | Port Edward    |
|   | Steveston      |
| Nishi's Seafoods Ltd.                   | "              |
| Noda Fish Co. Ltd.                      | Vancouver      |
| North Star Oysters                      | Fanny Bay      |
| North Vancouver Fish Supply Ltd.        | N. Vancouver   |
| Oakland Industries Ltd.                 | Victoria       |
| Ocean Fisheries Ltd.                    | Vancouver      |
| Pederson's Smokehouse                   | Port Kells     |
| Prince Rupert Fishermen's Co-op.        | Prince Rupert  |
|   | Vancouver      |
| Queen Charlotte Cannery                 | Masset         |
| Queen Charlotte Food Processors         | Richmond       |
| Royal Fisheries Ltd.                    | Prince Rupert  |
| S & S Fish Co.                          | Vancouver      |
| St. Jean's Smudgies Ltd.                | Nanaimo        |
| Salmonroe Products Ltd.                 | Vancouver      |
| Seafood Products Ltd.                   | Vancouver      |
|   | Port Hardy     |



Stonehouse Fish Curer  
J.H. Todd & Son.

Vancouver  
Vancouver

Source: Fisheries Statistics of Canada, 1968.

Table 3.4 - Processing Establishments Operating in  
British Columbia - 1978.

| CANNERY               | OPERATING COMPANY         | NUMBER EMPLOYED |
|-----------------------|---------------------------|-----------------|
| Prince Rupert         | Booth Fisheries Ltd.      | 0-4             |
| Vancouver             | Aero Trading Co. Ltd      | 5-9             |
| Vancouver             | Fukuyama & Sugiyama       | 10-19           |
| Ucluelet              | Trans Pacific Fish Ltd.   | "               |
|                       | Wescan Fisheries Ltd.     | "               |
|                       | Westpine Fisheries Ltd.   | "               |
| Masset                | British Columbia Packers  | 20-49           |
| Vancouver             | " "                       | "               |
| Rupert Brand Division | " "                       | "               |
| Tofino                | Canadian Fishing Co. Ltd. | "               |
| Ucluelet              | Central Native Co-op      | "               |
|                       | North Sea Products Ltd.   | "               |
| Vancouver             | Prince Rupert Co-op       | "               |
| Vancouver             | Seafood Products Co.      | "               |
|                       | Tonquin Enterprises Ltd.  | "               |
|                       | Yamazaki Enterprises Ltd. | "               |
| Gulf of Georgia       | Canadian Fishing Co. Ltd. | 50-99           |
| Bella Bella           | Central Native Co-op      | "               |
| Prince Rupert         | J.S. McMillan Fisheries   | "               |
| Vancouver             | " "                       | "               |
| Vancouver             | Ocean Fisheries Ltd.      | "               |
| Port Simpson          | Pacific N. Coast Co-op    | "               |
| Prince Rupert         | Royal Fisheries Ltd.      | "               |
| Port Hardy            | Seafood Products Co.      | "               |
| Vancouver             | British Columbia Packers  | 100-199         |
| Caspaco               | Cassiar Packing Co.       | "               |
| Victoria              | Oakland Fisheries Ltd.    | "               |
| Oceanside             | Canadian Fishing Co.      | 200-499         |
| Vancouver             | Norpac Fisheries          | "               |
| Port Edward           | British Columbia Packers  | 500-499         |
| Vancouver             | Canadian Fishing Co.      | "               |
| Steveston             | British Columbia Packers  | 1000-1499       |

Source: Annual Report of the Department of Fisheries,  
Canada, 1978.

With respect to spatial changes, the initial growth of the industry was concentrated on the Fraser River. The decline in the number of canneries that took place on the Fraser in the early part of the twentieth century was to a large extent offset by the increase that occurred in the Northern regions on the Skeena and Nass rivers as the fishing grounds continued to extend.

During the 1930's a significant trend towards the concentration and centralization of processing took place. This entailed the virtual elimination of production facilities along the central coastline, thus focusing on two major areas; Prince Rupert in the north and the Lower Mainland in the south of the province. As part of this trend, the number of processing establishments that either canned salmon exclusively or included salmon among other activities, declined markedly. Since 1901 the total number of canneries fell from seventy three to thirty five in 1932 and by 1975 eighteen establishments were canning salmon.

The availability of data that exists with respect to the location of the salmon canneries and fish-processing plants can be briefly summed up thus: (1) between 1870 and 1931 the data refer to salmon canneries; (2) between 1931 and the late 1950's data is less readily available; (3) during the early 1950's the data refer to all fish-processing activities.

In order to provide as comprehensive a picture as the available data permit Tables 3.1 to 3.4 and Figs. 3.4 to 3.7

in total depict six different time periods. Tables 3.1 and 3.2 illustrate the location of the salmon canneries in 1890 and 1901 respectively whilst Tables 3.3 and 3.4 illustrate the location of processing establishments in 1967 and 1978 respectively. The data for the years 1901 and 1978 have mapped in Figs. 3.4 and 3.7 respectively. Furthermore, although the data between the 1920's and the 1960's is poorly disaggregated and defined it was considered important to try and identify the distribution pattern of the plants. Hence, data for the years 1931 and 1951 from Lyons (1969) have been illustrated in Figs. 3.5 and 3.6 respectively.

In 1901 and 1931 the majority of the establishments canned salmon. By the 1950's a marked diversification into other products had taken place. It should be noted that the plants illustrated in Figs. 3.6 and 3.7 include those which can salmon amongst other activities. Comparison of Table 3.4 and Fig. 3.7 illustrates that by the mid 1970's, although around thirty plants were in operation, only half of these were engaged in the canning of salmon. Furthermore, the plants involved in the processing of delicate seafood employ relatively few employees in the industry as a whole.

To summarize, three observations can be made. First, the aggregate number of salmon canneries has declined markedly throughout the century. Second, the canneries have become increasingly concentrated and centralized in two major areas; the Lower Mainland and Prince Rupert. Third, although diversification of product has occurred, many of

FIGURE 3.4 - SALMON CANNERIES OPERATING IN  
BRITISH COLUMBIA: 1991

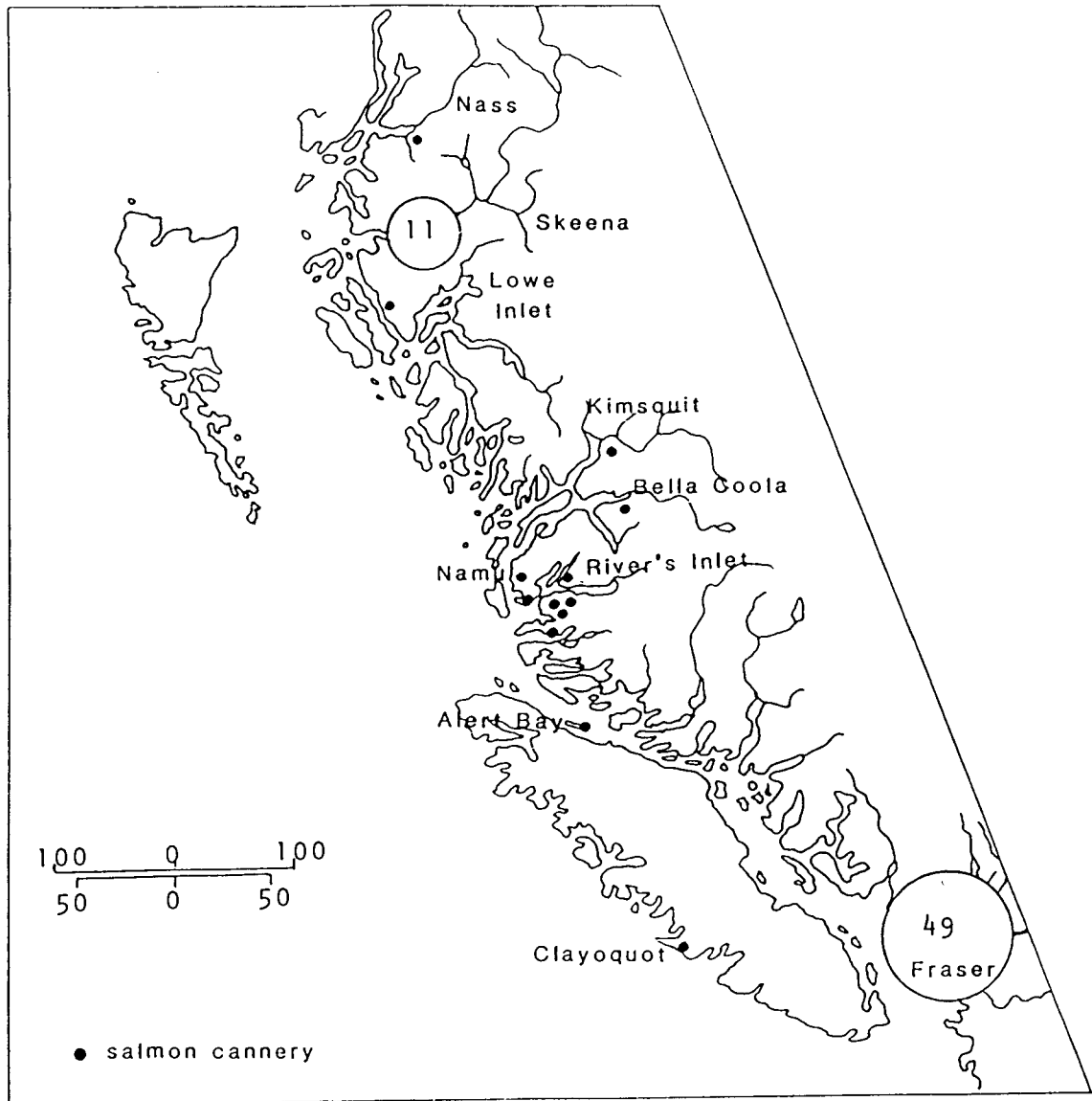


FIGURE 3.5 - SALMON CANNERIES OPERATING IN  
BRITISH COLUMBIA: 1931

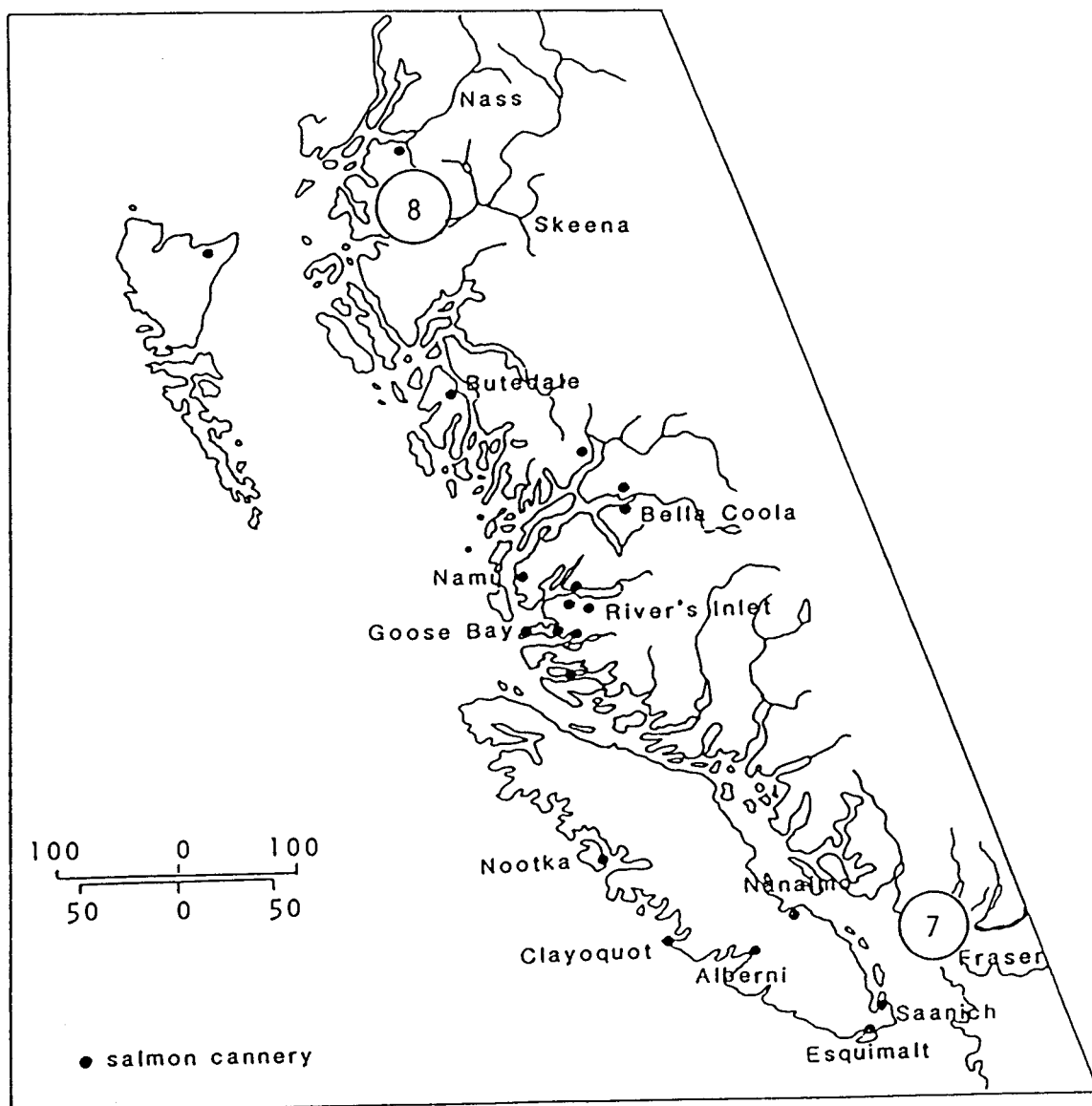


FIGURE 3.6 - SALMON CANNERIES OPERATING IN  
BRITISH COLUMBIA: 1951

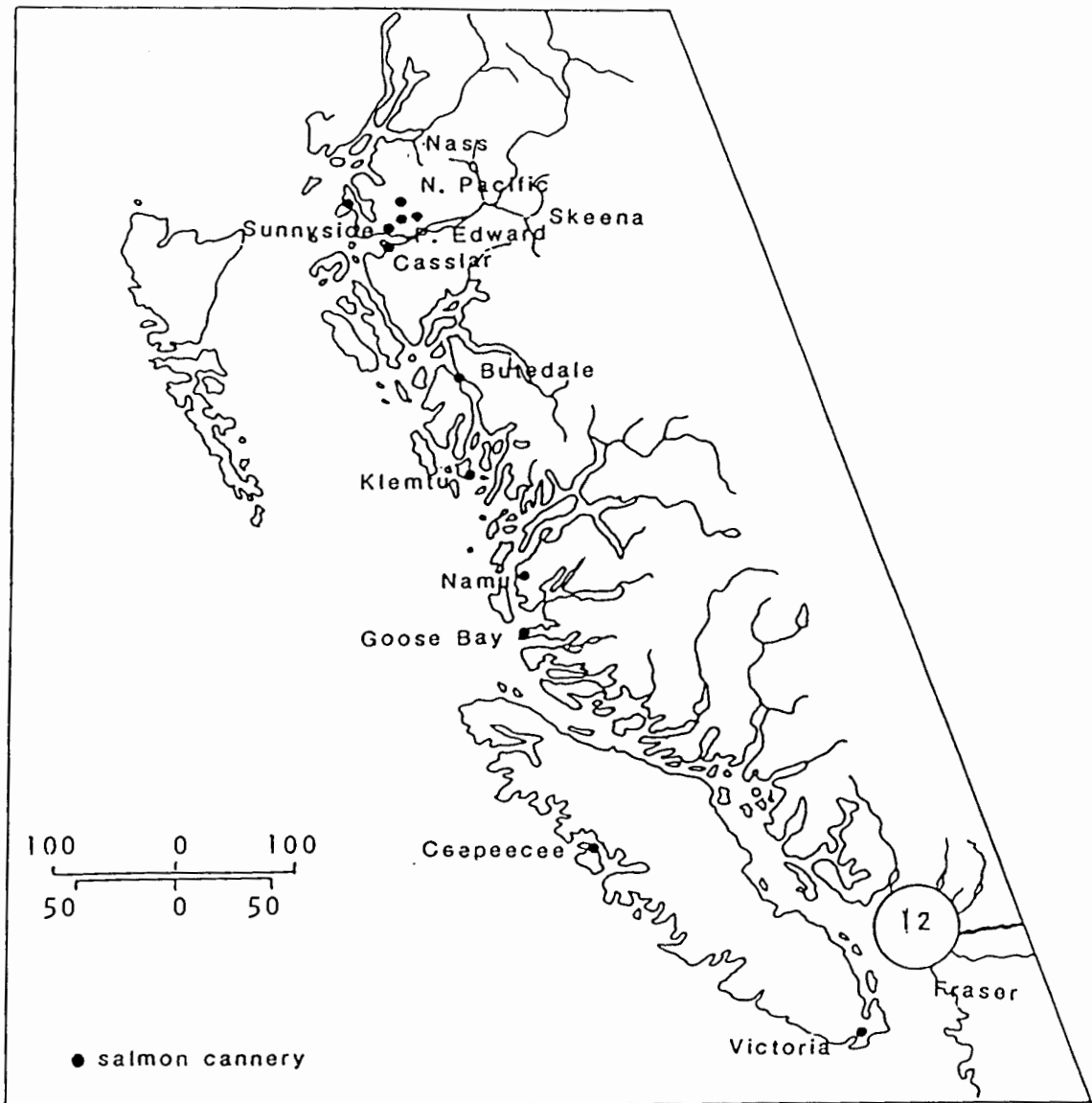
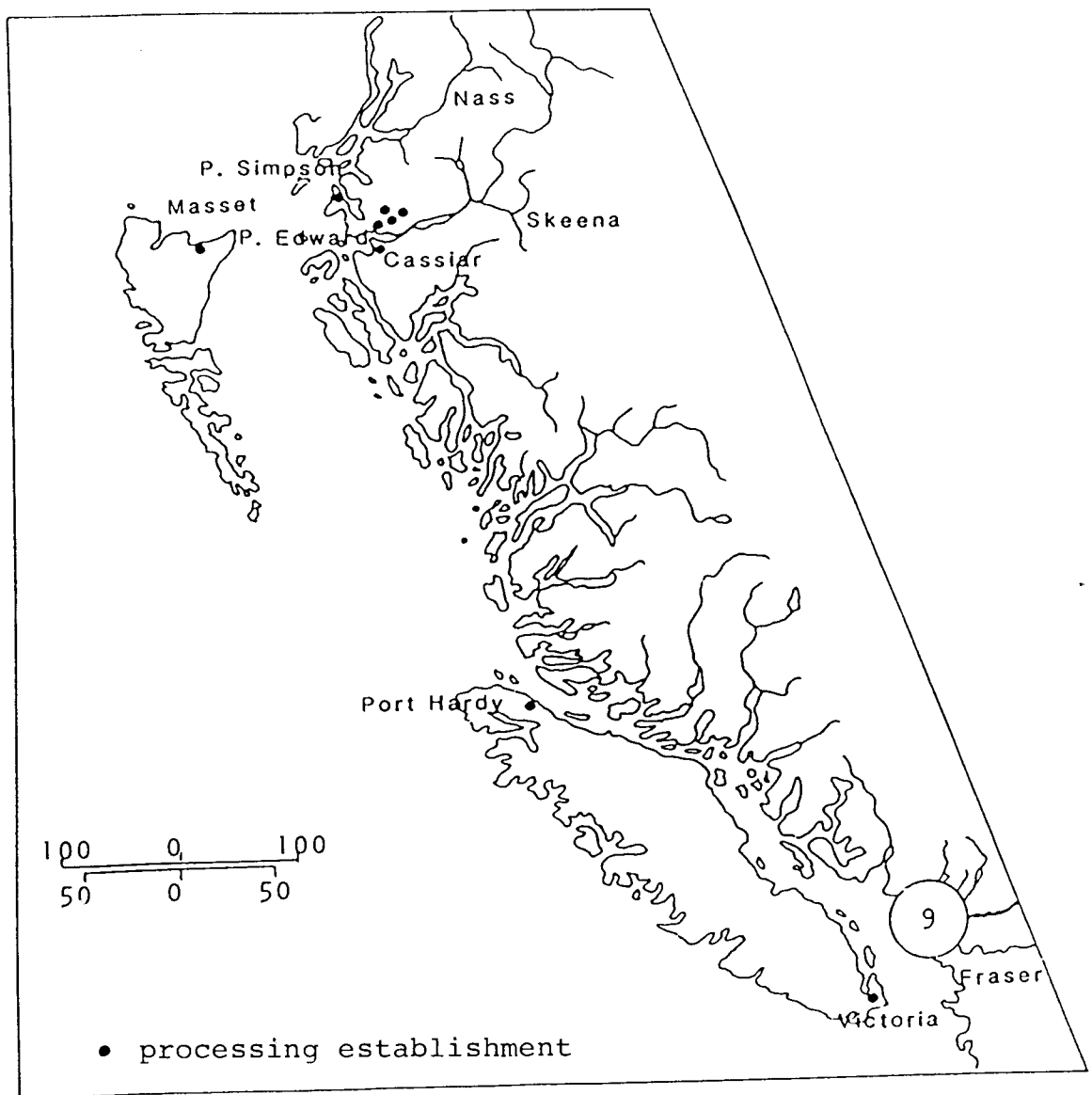


FIGURE 3.7 - PROCESSING ESTABLISHMENTS OPERATING IN BRITISH COLUMBIA: 1978





the plants not involved in the canning of salmon are small enterprises employing relatively few people.

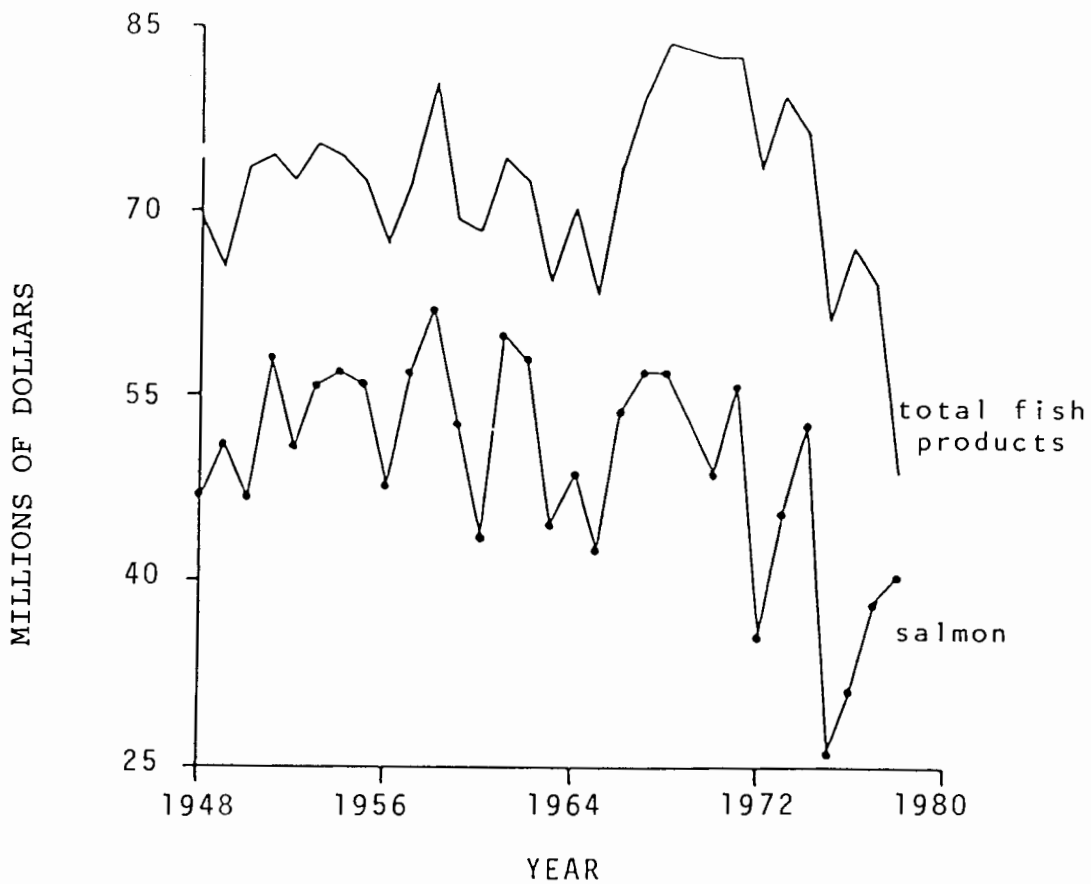
### The Fish Resource

In Canada salmon was initially the most important species of fish but since the 1940's ground fish has become more important. The majority of the salmon pack has always been harvested in British Columbia where traditionally salmon has accounted for over 60% of the total value of production (Fig. 3.8) The only exception to this observation occurred during the mid 1970's when a downturn in the value of the salmon catch was associated with a short lived boom in the herring industry.

The overall trend in the salmon pack is illustrated in Figure 3.9. Salmon runs, as noted earlier, are characterized by a four year cycle. Taking this factor into account, the data in Figure 3.9. illustrates that the annual pack increased between 1890 and 1925 but after 1925 a slight levelling off in production took place.

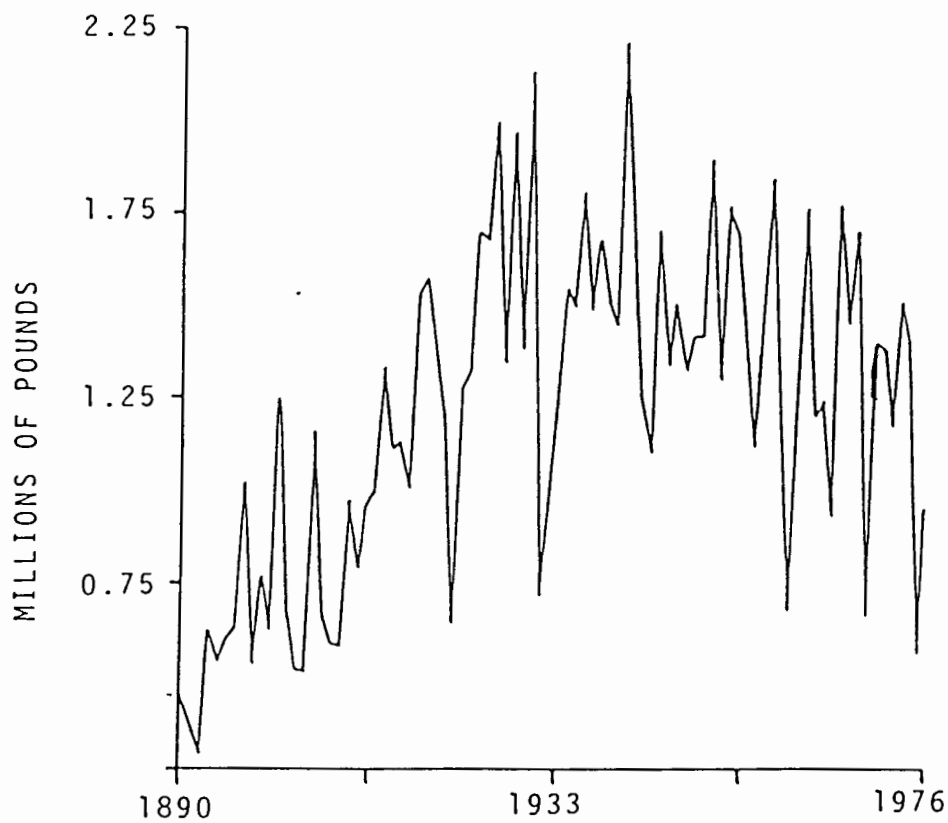
At this juncture it is appropriate to consider the relationship between the processing sector and the fishing effort and examine the issue of resource ownership. In Canada the fish resource comes under Federal jurisdiction. In practise, however, whoever owns or controls the fishing vessels and therefore has the opportunity to fish, exerts control over the resource. In turn, the fishing effort is strongly influenced by the price received for fish from

FIGURE 3.8 - VALUE OF FISH PRODUCTS AND SALMON  
IN BRITISH COLUMBIA: 1948-80



Source: DBS. Annual Report of the Department of Fisheries

FIGURE 3.9 - ANNUAL SALMON PACK OF BRITISH COLUMBIA  
1890-1976



Source: Lyons, C. 1969  
*Annual Report of the Department of Fisheries*

consumers, especially the fish-processing companies. It would seem reasonable to argue that the larger a fleet a firm owns the greater control it exerts over the fish resource and the price of fish.

Regulation of the industry by the Federal government commenced in the early years of the British Columbian industry. When the province entered Confederation it did not possess a code of fishery regulations and in 1876 the Dominion Fisheries Act was extended to cover British Columbia. It was then recognized that some form of control over the quantity of fish caught and the numbers involved in fishing and canning needed to be implemented. Although specific licensing of fishing and canning began in the late 1880's, from 1871 to 1921 the Dominion government had the power to grant exclusive fishing and canning rights in designated waters of British Columbia. It was a policy that lent itself to a degree of political patronage .

There is some discrepancy as to the year fishing licenses were implemented, Lyons (1969) refers to 1887 as being the date whereas 1889 is quoted by Ralston (1965). Essentially two types of fishing license existed, "attached", whereby the fishing permit was granted to the cannery which then hired men to fish and paid them a daily wage and "independent" licenses, granted to fishermen who owned their own boats. A trend towards the latter non-cannery type of license gradually occurred in the early 1890's accompanied by a shift in the relationship between

fishermen and canners whereby the canners paid them for the fish caught rather than on a daily wage.

In 1882 it became necessary to pay for a license to operate a cannery (Ralston, 1965). In 1908, however, the Dominion government introduced a limit on the number of canneries that could operate in the Northern region. This was then abolished in 1918.

The general rescinding of both fishing and processing licenses that took place in the early 1920's led to a somewhat open policy in the fishing grounds and it was not until the 1960's that the issue was examined thoroughly. At this time the Sinclair report in 1960 recommended the implementation of either a system of taxation on the fisherman and or the catch or alternatively, the introduction of a license to restrict entry. It was a politically sensitive issue however and it was left until 1969 when Davies, then Minister for Fisheries, implemented a licensing scheme. This was bitterly opposed by the fishermen at the time and it has had far-reaching implications for the industry today.

It has been argued by the fishermen and the UFAWU that the plan failed to adequately address the major problems facing the industry at the time, namely the depletion of the salmon resource and overcapitalization in the fishing sector. They regarded the two major flaws of the plan as being the attachment of the license to the boat rather than the fisherman and the transferability of the license.

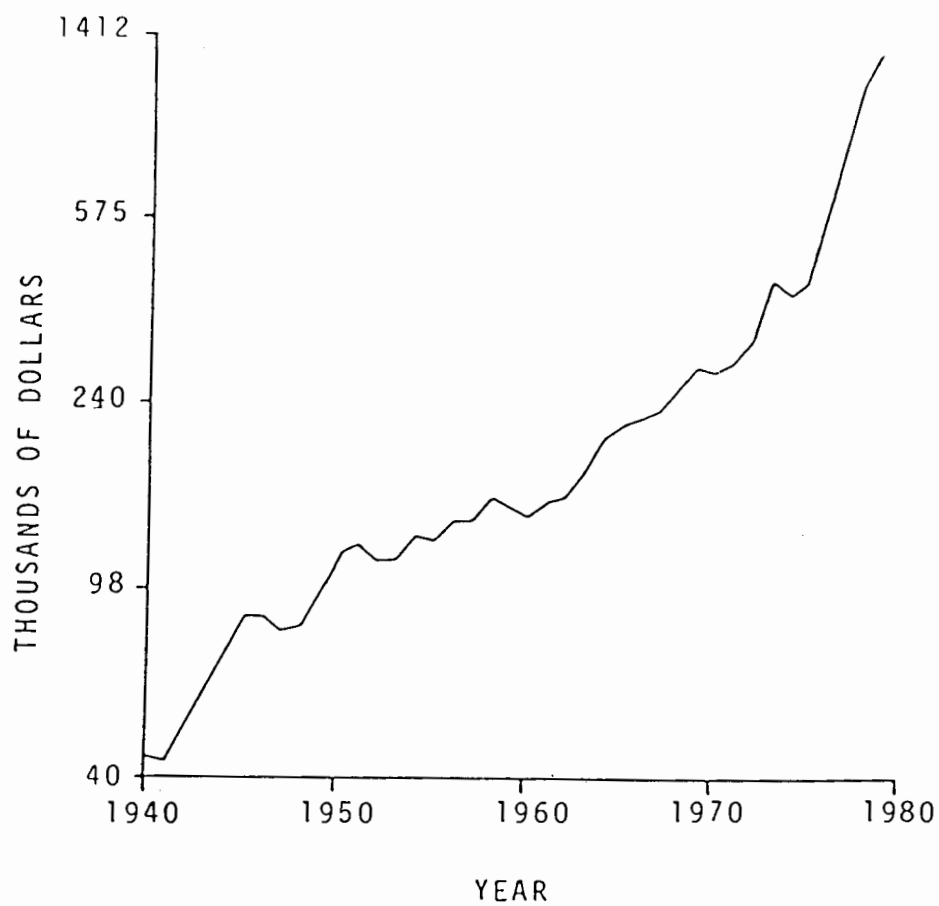
Licensing of the boat inevitably opens the door for large companies to increase their control over the resource particularly in view of license transferability. This is precisely what happened in fact.

## Markets

The value of fish and fish products exported annually from Canada has increased since the industry began. Indeed the value of fish products indicated in Fig. 3.10 (measured in current dollars) rose relative to other commodities during the 1960's. The destination of British Columbian fish products has altered significantly since salmon was first packed in 1874. In the 1890's the United Kingdom accounted for 90% of the salmon pack and it continued to import at least 75% of the production prior to the first world war. Import restrictions introduced by the United Kingdom reduced demand to less than 40% by 1950.

For fish other than salmon the United States has been a lucrative market for British Columbian fish producers. However, during the 1970's a marked change in Canadian tastes led to an increasing share of the non-salmon fish production being consumed domestically. Home consumption of all fish products accounted for 50% of British Columbia Packers' sales alone in this period. The remainder was exported to Japan and the EEC, both of which became relatively important customers in the 1970's.

FIGURE 3.10 - VALUE OF FISH AND FISH BY-PRODUCTS  
EXPORTED FROM CANADA: 1940-80



Source: DBS. Annual Report of the Department of Fisheries

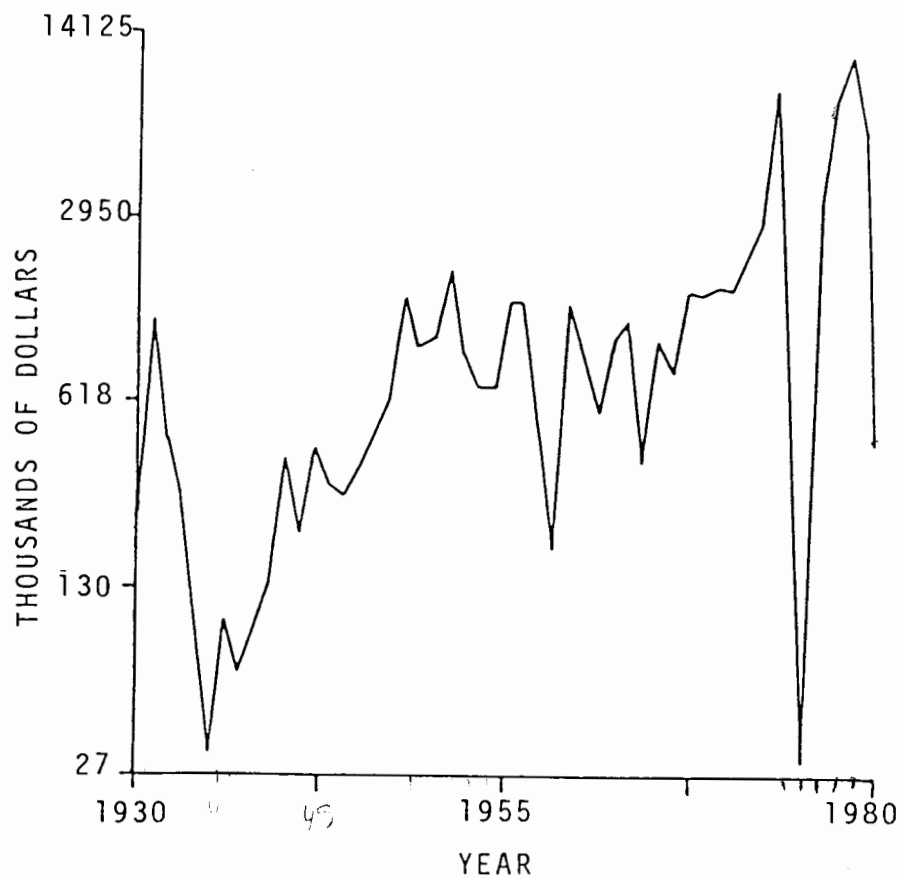
## Organizational Trends and the Size of British Columbia Packers

Since the turn of the century the nature of the firm has undergone a marked transition. The small, individually owned enterprise of the late nineteenth century had given way to larger companies by the early twentieth century. In the 1930's there were four major enterprises in British Columbia; British Columbia Packers, Canadian Fishing Co. (American), Anglo-British Columbia Packing Co. (British) and the locally established J.H. Todd & Son. By 1980 only the former two remained and in that year British Columbia Packers saw the demise of its last major competitor, the Canadian Fishing Co. (Canfisco). As the largest fish-processing company in the province British Columbia Packers' holdings are quite extensive (Table 3.5.). The operations of the firm extend throughout British Columbia, Washington, Alaska, California, Alberta and the Philippines. Properties include an extensive fishing fleet, canneries, meal and oil plants, cold storage and wholesaling facilities and a rapeseed crushing plant. The major investments that the firm made between 1940 and 1980 are indicated in Table 3.6.

Fig. 3.11 illustrates the net income of British Columbia Packers since the 1930's. The company has experienced a steady increase in income since 1940 and this accelerated after 1960. The troughs in the graph, reflect major investments by British Columbia Packers such as the



FIGURE 3.1] - NET INCOME OF BRITISH COLUMBIA PACKERS LTD.:  
1930-80



Source: Annual Report of British Columbia Packers 1930-80

Table 3.5 - British Columbia Packers: Operations in 1980.

*Operations:-*

British Columbia, Alaska, Washington, California,  
Alberta, Philippines.

*Properties:-*

Canneries, meal and oil plants, cold storage,  
fresh fish receiving - Port Edward, Steveston.  
Cold storage - Namu, Vancouver, Prince Rupert, Victoria.  
Shipyards - Vancouver, Richmond.  
Plants - Skeena River, Queen Charlotte Islands, Bristol Bay.  
Fishing stations (former canneries) - Alert Bay, Boswell,  
Bella Bella, Bella Coola, Quathiaski, Wadhams.  
Tuna operations - Philippines.  
Rapeseed crushing plant - Llyodminster, Alberta.

*Subsidiaries:-*

## Canada:

Brunswick Development Corp. Ltd.  
Canadian Packing Co. Ltd.  
McCallum Sales Ltd.  
Moncton Holdings Ltd.  
Nelson Fisheries Ltd.  
N. American Testing Ltd.

## United States:

Bay Point Oyster Farms  
Coast Oyster Co.  
Coast Oyster Co. of California  
Humboldt Oyster Co.  
Nelbro Holdings Co.  
Rupert Certi-Fresh Foods Inc.  
Rupert International Sales Corp.  
Willapa Oyster Farms

Source: Annual Report of British  
Packers, 1981.

Table 3.6 - Investments made by British Columbia  
Packers: 1939 - 1980

- 1939 - Purchase of Edmunds & Walker
- 1940 - Purchase of Deep Bay Fishing & Packing Co.  
reduction plant, Vancouver Island
- 1943 - Purchase of Victoria Cold Storage Co.  
Acquisition of shares in Albert & McCaffery,  
Prince Rupert
- 1944 - Purchase of 3 U.S. distributing companies.  
Unstated interest acquired in Canadian Fish  
& Cold Storage Co., Prince Rupert.
- 1946 - Acquisition of assets of W.B. Brown & Son,  
Purchase of Fraser River Fish Co. (fresh fish)  
Purchase of Monk & Co. (fresh fish)
- 1948 - Remainder of the assets of Western Whaling Corp.
- 1954 - Joint purchase of J.H. Todd & Son. (with Canfisco)  
Purchase of Freeman Certi-Fresh, wholesalers, U.S.
- 1956 - Acquisition of shares in Coast Oyster Co.  
59% interest in Emperesa Pesquera, Peru
- 1962 - Additional interests in Coast Oyster Co.  
and subsidiaries bought.
- 1963 - Namu plant rebuilt
- 1966 - Imperial multi-purpose plant constructed
- 1969 - Assets of Anglo-British Columbia Packing Co. Ltd.
- 1974 - Acquisition of Sea Breeze and Sea Breeze Foods  
Rupert Certi-Fresh
- 1975 - 33% interest in United Oilseed Products
- 1976 - 30% interest in Mar Fishing, Philippines
- 1980 - assets of Canadian Fishing Co. Ltd.

Sources: Annual reports of British Columbia Packers,  
Financial Post Corporate File and various newspapers.

purchase of Canfisco in 1980.?

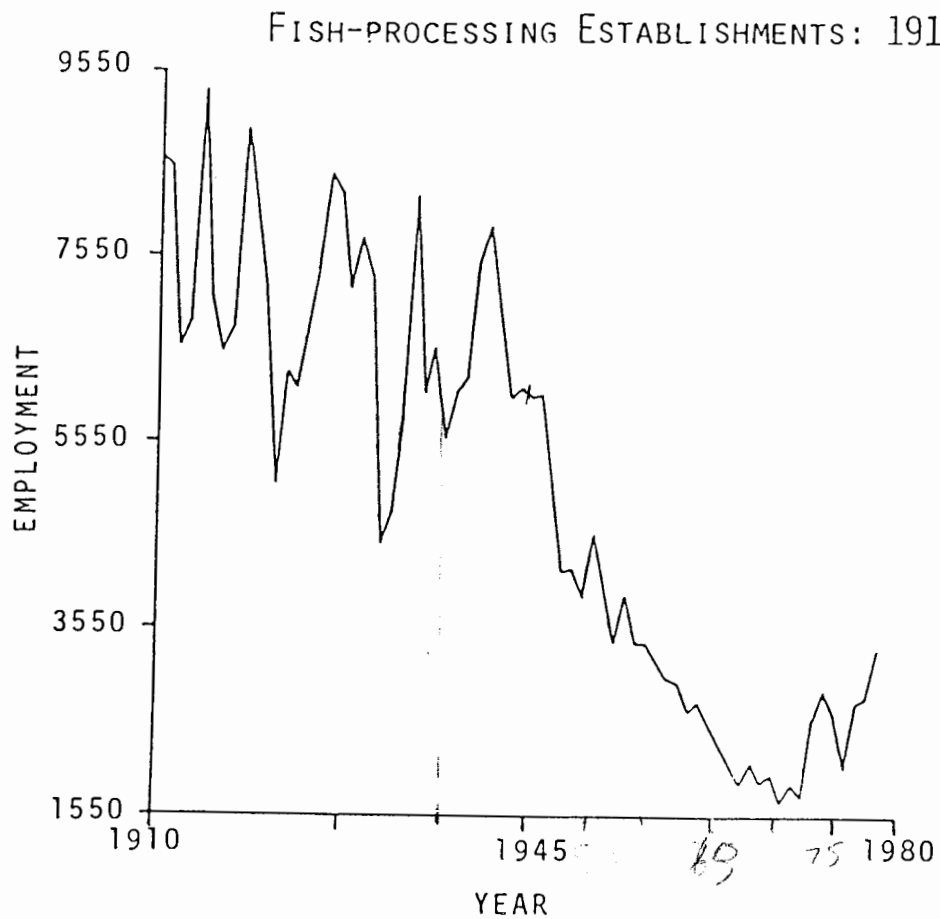
Net sales (Fig. 3.2.) also illustrate a healthy position. Sales have consistently increased, especially in the last decade. Although there are no data available to indicate the precise proportion of the pack, accounted for by British Columbia Packers, if the total value of the firm's sales is compared to that of the British Columbian industry as a whole, some impression of the firm's size is apparent (Fig. 3.2). Since 1960, the growth of British Columbia Packers' sales increased faster than that for the province as a whole.

Furthermore, the data in Table 3.3. illustrates that the majority of the firms in the province are small, most employing less than fifty people. Since 1972 only British Columbia Packers operated a plant that employed over one thousand. When this is compared to the total number of employees in the industry, (Fig. 3.12) it is obvious that British Columbia Packers accounts for the majority of employment. This has been reinforced since the acquisition of the major assets of Canfisco in 1980, previously the only other significant employer in the industry.

### **Employment Trends**

The changes that occurred in the structure of the industry had significant implications for the employment of the workforce. The data in Fig. 3.12 indicate the overall decline in employment that set in after the turn of the

FIGURE 3.12 - NUMBER EMPLOYED IN THE BRITISH COLUMBIAN



Source: 1910-60. Urquhart, M.C. and K.A.H. Buckley, 1963  
 1960-78. DBS. Fisheries Statistics of Canada

century. Prior to 1930 the aggregate number employed fluctuated between six and eight thousand, rising to nine thousand in peak years. After 1930 a major decline is evident (with the exception of the war years) reaching a low of seventeen hundred and fifty employees in 1969. During the 1970's employment rose to over three thousand related to the brief boom that took place in the herring industry.

It should be noted that although cyclical instability between 1940-1970 appears to have been substantially reduced relative to the 1900-1940 period, nevertheless the trend clearly indicates a consistent decline in the total number employed. In other words, the reduced level of fluctuation around the trend has been achieved at the expense of declining employment prospects. British Columbia Packers has argued in recent years that the reduction in the number of seasonally employed has been accompanied by greater stability for the work force employed in the year round operations (British Columbia Packers annual report 1977). This is a highly questionable assertion given the subsequent layoffs that occurred in the industry during the 1970's and the early 1980's.

In association with these employment trends there has been a marked change in the nature of the labour market. The following illustrates these changes and touches upon the origins and roots of the union. The development of the union rendered the 1930's something of a watershed in employment conditions. The two periods will therefore be discussed

separately.

### Pre 1930's Employment Trends

The introduction of technological innovations had a strong bearing on the level of employment around the turn of the century. The major innovations occurred during the latter part of the nineteenth and the early part of the twentieth centuries. By 1902 machinery was in general use for tasks such as wiping, washing and soldering which inevitably reduced the demand for labour. By way of example, three men replaced twenty to thirty working on a washing machine and two men replaced seventy five on a soldering machine. The average crew had been reduced from between one hundred and twenty and one hundred and fifty to eighty four men (Stacey, 1978). The introduction of the Smith butchering machine (Iron Chink) in 1903 eventually was to revolutionize the industry. It was first used on the Fraser in 1906 by the British Columbia Canning Co. and by British Columbia Packers in 1907. By 1913 the modern canning line was in operation and the level of technology has remained virtually unchanged to the present time (Stacey, 1978).

Four major ethnic groups have comprised the workforce of the processing industry over time; whites, Chinese, Indians and Japanese. The Chinese and the Indians were important along the Central and Northern coast. During the second war the Japanese, who had formed a major element in the fishing sector, were forced to leave the industry

because of their internment. In general, the whites have always been associated with the ownership and management stratum. By the 1930's they had gradually increased in number in the processing activities. In the early years of the industry Chinese men comprised a substantial part of the labour force. They were responsible for the butchering of the fish, a relatively skilled process in the early days; other tasks included the making, soldering, cooking and labelling of the cans (See Carmichael for details of a days work in a salmon cannery, 1871).

The Chinese first came to British Columbia in 1858 during the gold rush and entered the canning industry, with its demand for large numbers of semi-skilled labour, when the opportunities in mining declined (Scholefield 1914). The Chinese became integrated into what was known as the contract system. A China Boss was hired by the cannery owner and paid a lump sum at the beginning of the season. He then employed the men and paid them accordingly. The advantages of such a system to the canners are evident. They evaded the responsibility of hiring the workers and they could calculate their total labour costs prior to the start of the season. The losses inevitably fell on the contractor because he was responsible for furnishing the supplies to the men. Furthermore the China Boss was usually able to obtain relatively efficient work from the men who were so dependent on him (Royal Commission on Chinese and Japanese Immigration, 1893).



A typical wage prior to 1900 was one dollar per day or thirty five dollars per month for a ten hour day (Stacey, 1978). Each spring the contract workers were transported up to the Northern canneries from Victoria and Vancouver by steam ship. The conditions that these men were subjected to is recounted by one of the sailors who worked on the Union Steamship that transported the cannery workers up the coast every season during the 1920's.

"The Cardena had started out with two classes and then ended up with practically one class except for the Chinese and Indian cannery workers. They travelled second class. They exploited those people. They let the contract out to a Chinese contractor and then he collected all these guys and then he just paid them what he thinks. Now the owner didn't care what he pays them as long as he's got them to do it."

(William McCoombe, 1977).

The Indians were also important in the industry. Contrary to popular opinion, neither fishing nor cannery work were traditional pursuits or even modifications of traditional subsistence practices. Commercial fishing required a marked adaptation in the Indian way of life (Knight, 1978).

Indian fishermen travelled to the fishing waters accompanied by Indian women who worked in the canneries. The women mended the nets, washed and gutted the fish and performed various other tasks generally working on a piece rate wage. Initially the Fraser canneries drew Indians from Sooke to the Cowichan reserves on Vancouver Island, the Gulf Islands, Musqueam, the Kwakiutl from Alert Bay, Fort Rupert and Bella Coola (Knight, 1978).

Scattered evidence can be found that indicates a number of permanent settlements grew up on the basis of the industry. The Skeena River was the birthplace of many communities. In 1876 Robert Cunningham, an Irish missionary, induced an Indian family to settle at Woodcocks Landing (Port Essington) where he built the first cannery. By the 1900's there were twelve canneries and Port Essington rose as a centre supplying the needs of the cannery and entertainment (A.G. Harris, 1976).

The Indian villages of Kitasco, Kitkatla, Namu and Kincolith were also closely linked to the canneries. Walter Wicks who grew up at the Slough in Inverness, recalls:

"In the winter all the canneries were closed and it was very quiet. Then in April the start of several thousand migrating for the summer began, Japanese, Chinese, Indians, whites. Indians from Kitkatla, Metlakatla, Port Simpson along the coast from the interior as far as Babine. Haidas came down from Hecate Straits, the Queen Charlottes and the Tlinget from S.E. Alaska."  
(Wicks, 1976).

In Alert Bay, two white men Spencer and Huson constructed a saltery in 1870 and later tried to found an Indian village by persuading the Nimpkish Indians to move there. In 1871 they built a cannery and gradually a missionary was established. Eventually local woodcutting, charcoal smelting and a sawmill developed to provide inputs for the smelting at the cannery and the provision of boxes (Healey 1958).

The canneries and the industries that grew up to serve them formed a vital part of the west coast economy.

Eventually, many of these settlements were to die as the location of the canneries became progressively concentrated into two main centres.

### Post 1930's Employment Trends

The 1930's were unstable years for many industries including the fish-processing sector. It was during this period that the roots of the United Fish Cannery and Reduction Plant Workers Federal Union (UFCRPWFU) occurred. The unionization of the shoreworkers took place a long time after that of the fishermen. Although both sectors have been under the jurisdiction of the United Fishermen and Allied Workers Union (UFAWU) since 1945, the shoreworkers actually organized separately in 1941 and, remained autonomous until 1945. The interests of the two groups however have always been closely aligned; the fishermen's union played an important role in encouraging the unionization of the shoreworkers. The discussion of the development of the union focuses on the period 1936 to 1946 which was significant for two reasons: the institutionalization of the cannery and reduction workers union for the first time and the amalgamation of the fishermen and processing employees into a single industrial union in 1945.

The initial organization of the shoreworkers was in direct response to the working conditions that existed in the industry. In 1936 there were five thousand two hundred people engaged in the canneries; nine hundred whites,

sixteen hundred Indians and two thousand seven hundred Orientals. Many were working for as little as fifteen cents an hour (Dept. Fisheries, 1936). Conditions in general were bad: payment on a monthly basis involved working seven days a week; long hours, often sixteen or seventeen a day in peak runs; an arbitrary starting time, day or night; no day off no overtime pay, no rest periods and few basic amenities.

People joined the union for protection. The seasonal nature of the industry and the fluctuation in the fish runs only served to accentuate the vulnerability of the workers to the companies' arbitrary will. The birth of the shoreworker's union took place during a period of relative labour militancy throughout Canada as a whole. Indeed the period during and after the war witnessed the recognition of many unions, including the shoreworkers. This was a time when many unions finally secured the legal status to organize and bargain and industrial unionism began to spread.

The formation of the Fishermens Industrial Union in 1931 represented the first attempt ever to bring all workers in the fishing and processing sectors under a single organization. When the group dissolved in 1936 the fishermen split into two groups, The Salmon Purse Seiners Union and The Pacific Coast Fishermens Union. The shoreworkers, however, failed to remain organized.

Organization only emerged permanently in the fish-processing industry in July 1941 when seventeen men in

the Kildonan plant on Vancouver Island applied to the Trades and Labour Congress for a charter. The union instantly mushroomed on the West coast of Vancouver Island and by September many vital plants had established locals (Fisherman, Aug. 1941). The initial reaction of the canners was one of alarm. They immediately issued propaganda in an effort to provoke racial division but this failed (Fisherman, Sep. 1941). The companies then sent letters to their employees suggesting the formation of a company union because:

"We want our employees to feel that we always have their welfare and interest at heart."  
(Fisherman, Oct. 1941).

The company union was rejected outright by the workforce.

The major strategy used by the canners from then on was to stall. This needs to be appreciated in the context of a war time situation and the seasonal nature of the industry. Unlike other industries, during a fishing strike the runs continue and a whole season's production can be lost. Throughout the war labour in general and in the canneries in particular, had committed itself to maximize production and avoid striking. The canners used this situation to their full advantage. By stalling they could reach the end of a season without signing an agreement. Moreover, by referring disputes to the War Boards that had been set up they could stall further.

When negotiations did actually begin in the October of 1941 the canners refused to recognize the union as the

representative of the labour force. In the meantime sporadic strikes took place and these illustrated the general dissatisfaction that existed in the industry. Many workers recognizing the futility of their unorganized status promptly signed up to join the union. By January 1942 the employers still refused to recognize the union. The reason given by them was:

"We regret that the recent orders issued by the National War Labour Board have been so complex that we are at a loss as to how our particular industry will be affected by their application. For this reason the committee is not able to deal with the matter sensibly"  
(Fisherman, Jan. 1942).

Yet there was nothing in the current legislation that prevented collective bargaining. Having already pledged themselves to full production, the union suggested that collective bargaining was necessary to ensure closer co-operation between employers and employees. A decent wage, they argued, could only help to maintain the spirits of the workers and consequently result in better work.

In February 1942 the union applied to the Conciliation Commission to deal with the dispute. Their basic objectives were: first, to gain recognition as the bargaining agent of the labour force; second, to improve wages and working conditions; third, to introduce a system of seniority rights. In April an agreement was finally reached. It did, however, only cover full time male workers in the reduction plants. Four basic areas were covered: union recognition; a system of seniority rights; an increase in hourly wages from

fifty six to seventy five cents; an improvement in basic conditions that established rest periods after six hours and the provision of antiseptics (Fisherman, April 1942). Now that recognition had been achieved, the problem became one of establishing a contract for all of the different sections.

The canneries meanwhile had not organized as rapidly as the reduction plants. Similar stalling tactics had been used by the cannerymen and the 1942 season closed without a contract. The work at the British Columbia Packers' Edmunds & Walker plants in New Westminster and Vancouver had been exceptionally heavy. Sixteen hours a day in weeks of over sixty five hours was not uncommon for the workers. These plants were the first to demand overtime pay for any hours worked over ten in a day; a demand that was adamantly refused by the cannerymen. They argued that they were unable to control the fish deliveries and that if the existing monthly wage was abandoned in favour of straight hours, wages would automatically increase. This, they argued, would contravene the legislation introduced during the war to peg wages (Fisherman, Aug. 1942).

Negotiations dragged into November until a contract was eventually agreed upon. The union was recognized but the fundamental part of the contract involved the introduction of some stability in the working hours. The contract established an eight hour day prior to the season and a ten hour day during the season plus one day off a week. The

contract marked the beginning of an era to end long overtime hours without pay and to establish a basic uniform scale of wages and hours for the first time ever (Fisherman, Nov. 1942). Again, it extended only to the full time, male workers. There was still nothing for the bulk of the workers, particularly the female and Chinese seasonal employees who remained unorganized.

In 1943 the union guaranteed maximum production in the war effort, but a major objective was to fight for an eight o'clock start in order to introduce further regularity into the industry. The proposal to form a single industrial union with the fishermen was also raised (Fisherman, Mar. 1943).

The 8 a.m. start was an issue that the canners would not give into easily. A fixed starting time had already been introduced into some of the smaller plants and it appeared to be working successfully. The union argued that night work needed to be eliminated because it was unnecessary and harmful to the workers health. The introduction of ice-making machines meant that the fish did not need to be processed immediately. With a little extra planning other types of work could be carried out in the plant if there had been no delivery. Whilst the union recognized that a degree of flexibility was required, they felt that enough concessions on their part had already been made. Employees were working an eight hour day pre-season and a ten hour day during the season for the same wage. In addition, overtime was only paid at time and a quarter whereas many other



industries then received time and a half (Fisherman, Aug. 1943).

As usual the matter went to arbitration and a decision was made in the August that the 8 a.m. start should be recognized. It was however neglected by the companies who for some reason decided that the War Boards should be ignored when they did not arbitrate in their favour. They declared:

"The 8 a.m. start is contradictory to the laws of nature and we cannot accept it"  
(Fisherman, Sep. 1943).

So again the cannery workers returned to work without a contract, determined to prevent the same thing from happening the following year. The major objective for 1944 was to gain a contract for the seasonal and female workers, who were still not covered, and to continue the fight for an 8 a.m. start and the eight hour day.

The cannery workers managed to stall negotiations until July by appealing the nine hour day decision to the National War Board. This had been granted earlier by the Regional Board but had been ignored by the companies. They lamented that wages in the fishing industry had increased proportionally more than in any other industry since 1939. This was hardly surprising when one considers the original conditions that existed in the industry and the fact that they still lagged a long way behind many others. Already the Trades and Labour Congress were calling for a six hour day and a five day week and the eight hour day had already been accepted in many

countries (Fisherman, Sep. 1944).

However, by the end of the year the cannery men had been overruled. The nine hour day was to be established in the reduction plants. An even more significant achievement had been won in the British Columbia Packers' s Edmunds & Walker plants when time and a half was established for any hours in excess of nine and Sunday was made a day of rest. Other agreements during the year included the signing of the first contract that exclusively covered women. Wages were raised by five to twenty cents an hour and rest periods were to be permitted. Major increases in membership also occurred. In Steveston fifty women signed up and over half of the Chinese joined. Furthermore the president of the Trades and Labour Congress endorsed the request by the shoreworkers and fishermen to amalgamate under a single jurisdiction.

The merger of the two unions took place in March 1945. The new union was named the United Fishermen and Allied Workers Union (UFAWU). This was a turning point in the history of unionism in the fishing industry. In an industry so vulnerable to biological and market fluctuations and strong corporate organization, the diverse sectors had finally formed a single industrial union. It was important that the members now realized that they could only act as a strengthened force if the diverse sectors did not just look after their own interests. In 1946 during the first full year of operation it appeared that the members really did

attempt to support each other in the conflicts that arose. These still centred around the struggle for an eight hour day; recognition of some basic rights for women; a contract for seasonal workers that established a monthly minimum wage and a contract for the networkers.

The union clashed with British Columbia Packers at the start of the year over the Seal Cove plant where workers had traditionally been underpaid. A second conflict arose at British Columbia Packers's Ogden plant in Victoria over the issue of women's wages. British Columbia Packers refused to implement a minimum wage because it was argued that women did not need an increase as most of them were married and therefore supported by their husbands (Fisherman, Mar. 1945).

The union however was proving to be effective in its unity and by June these issues had been resolved. The women received an increase from fifty two to fifty seven cents an hour after three months and, from fifty seven to sixty two cents after a further three months. These concessions were probably related to the four week strike by the networkers that began in March. After the solidarity shown by the fishermen and the shoreworkers, British Columbia Packers was anxious to avoid further disputes that year. The strike, that affected the entire coast from the Nass to the Fraser, was most effective. Arbitration established the eight hour day for the first time for a group of shoreworkers. In addition multiple overtime rates were attained and wage

increases from fifteen to sixteen dollars a day (Fisherman, April 1946). By the end of the year the union had established an eight hour day for all shoreworkers, time and a half for all hours worked above eight, a cannery women's agreement and substantial increases for cold storage workers.

It is ironic to note that the post union period witnessed a significantly greater decline in employment than the preceding period (Fig. 3.12.). It appears that whilst the union achieved considerable improvements in wages, hours and general working conditions, it was virtually powerless to offset the decline that took place in employment.

#### IV. The Origins of British Columbia Packers

The roots of the present day British Columbia Packers Ltd. stem from the formation of the British Columbia Packers Association in 1902; an amalgamation of thirty four companies operating forty two canneries. The merger was essentially engineered by one man, Henry Doyle, the managing director of a fish supply company in San Francisco. The financing of the venture was undertaken by Aemilius Jarvis, a well known financier from Eastern Canada.

By the turn of the century the viability of the British Columbian fish-processing sector was seriously threatened. According to Doyle, the major stimuli for an amalgamation were the overcapitalization of the industry, competition from the Alaska and Columbia River Packers Associations, the potential impact of a reduced labour supply and the prospect of relatively poor salmon runs for at least the next three years (Doyle, 1902).

In the 1870's the fish resource, technology, intense competition and the question of an adequate labour supply were the major components of environmental change relevant to an understanding of the formation of the British Columbia Packers Association. Two factors were of particular importance namely the technological innovations that were emerging and the changing conditions in the labour market. The discussion of corporate motives centres on Henry Doyle. Material from his personal diaries and letters and the interpretation of these by two authors is discussed.

Prior to the formation of the British Columbia Packers Association an attempt had already been made to combine several companies. In 1890 H.O. Bell-Irving set about amalgamating nine canneries that resulted in the formation of the Anglo-British Columbia Packing Co. in 1891. During the ensuing years the firm failed to dominate the market, although it remained an important element in the industry until its demise in 1969. Reid (1975) suggests that this reflected the failure of the firm to restrict the entry of other canning operations into the industry reinforced by a decline in world prices.

Reid regards the ability to restrict the entry of other canners, as the basis of the success of the British Columbia Packers Association. The argument is somewhat unclear because although the firm did have an implied understanding with the canners that they bought out not to undertake canning activities for a further seven years, it was not legally established nor, it appears, adhered to. It is more feasible to argue that the large number of canneries attained lent itself to a greater degree of control over the resource because it reduced competition for the prices paid to fishermen. In addition, the legislation introduced in 1908 controlling the number of canneries appeared to promote a degree of stability in terms of the number of canneries operating.

The glut of salmon on the market that had begun in 1876 ended by the early 1890's and market conditions remained

relatively stable during the following years. The number of canneries increased rapidly between 1892 and 1900 to take advantage of the plentiful salmon runs and the prosperous market. At this time the major markets lay in the United Kingdom, Eastern Canada, Australia and New Zealand. Only a small proportion was consumed locally. By 1901 seventy three canneries were in operation, forty nine on the Fraser alone (Figs. 3.3. & 3.7). The salmon run was a record in 1901 and by the end of the season the canners were financially overstrained by the heavy carryover with no foreseeable means of market absorption.

It has been argued by Stacey (1978) that the technological developments that occurred around the turn of the century were crucial for the initial period of consolidation. Prior to the turn of the century, the fish-processing industry was highly labour intensive. Hand labour was used for virtually every process involved.

During the period from 1886 to 1903 the production process was essentially manual. Although few notable inventions took place between 1876 and the early 1890's, the introduction of the steam retort around 1877 was to have significant implications for the technological innovations that occurred in the early 1900's. Indeed, Stacey argues that every important piece of processing machinery later invented was fundamentally linked to the development of the steam retort.

The period beginning in the late 1890's witnessed the harnessing of a number of innovations. Stacey suggests that of a number of issues which prompted the implementation of new technology, the predominant reason was a shortage of labour.

By 1901 a butcherer earned between thirty five and fifty dollars a month. Butchering gangs consisted of thirty men who processed one thousand to fifteen hundred fish in a ten hour day. During the heavy runs, however, the men would tire and the process would slow down, resulting in an inconsistent quality. The development of the Iron Chink, a mechanized butchering machine, by E.A. Smith in Seattle in 1903 offered the solution to a number of problems that the canners faced.

Further to this, the Chinese head tax had risen to one hundred dollars in 1900 and by 1905 it stood at five hundred. It must have been becoming obvious to the canners that they would face rising labour costs if they had to employ whites to replace the Chinese who then formed the bulk of the skilled labour.

There are other pertinent issues. A degree of militancy had recently become apparent during a strike by the fishermen on the Fraser River in 1900 (See Ralston 1965). Not only would mechanized butchering increase productivity because it was faster, it would also reduce labour costs and therefore the overall operating costs. Furthermore it would reduce the reliance on the labour force who could



potentially strike and demand better wages and working conditions.

The canners were interested in obtaining labour as cheaply as possible. The argument that a potential shortage of labour existed is correct as far as the Chinese were concerned. However, it could also be argued that the issue was one of a shortage of labour at a specific price. Evidence from the Royal Commission appears to lend plausibility to this argument. Following are some of the briefs that were given by prominent canners to the Commission.

Alexander Ewen (a pioneer canner who later became the first president of the British Columbia Packers Association) insisted that the Chinese were essential for the continuation of the industry. He employed between one hundred and fifty and two hundred workers, only twenty of whom were white. Ewen felt that the canning industry would suffer if the Chinese were excluded from the province because they were willing to work for one quarter of the price that the Indians and the Whites would.

Henry Bell-Irving, the owner of the Anglo-British Columbia Packing Co. employed seven to eight hundred people and offered the following statement:

"No cannery ever successfully employed only whites. Chinese are steady in habits, reliable in work and won't strike. They put up with rough accomodation and low wages."

This feeling was reinforced by another successful canner in the industry, J.H. Todd, who said that:

"If it were not for the Chinese the industry would never have developed. It is too degrading for white men. Labour must migrate and if whites were used they would require better accomodation."

Yet judging from the remarks of some of the whites and Indians it appeared that they would have been prepared to work if they had been given the chance. Hezekiah Stead, a fisherman, suggested that:

"The canners do not want to let the whites in, otherwise they would have to pay them more. Whites do want to work."

A similar protest was heard from one of the Indian chiefs:

" Indians still obtain cannery work but not as much as before. They are not willing to work for as low a price as Orientals. We are not getting advances from the canneries any more yet Indians are only too willing to work."

The issue is therefore not clear cut. Although it has been argued that a shortage of labour, particularly skilled labour, existed because of the increased Chinese head tax, I would also suggest that there was a strong desire to eliminate jobs in order to reduce dependence on the labour force. The following letter that Doyle sent to A.G. Kittson, a financier involved in the procedure, illustrates that the potential power of organized labour should not be dismissed.

"The industry as far as the Fraser River is concerned is in a deplorable condition. The fishing grounds extend for only about twenty five miles up from the Rivers mouth and in this distance forty eight canning plants are in operation. Their competition was keen and in their efforts to obtain the advantage over their fellow canners, several of them started to bid up the price of raw fish.

When this was the condition efforts were made to retrench by reducing the price of fish, but the fisherman forming themselves into a union organization resisted and as a result the last two

seasons have been prefaced by strikes.

A run of fish equal to last season cannot be expected before 1905 and as a consequence if present conditions continue to exist there is absolutely no prospect of any profits resulting from the next three years work. There will be no canners association in the coming season to help maintain prices and present a more united resistance to the fishermens demands."  
(Doyle, 1902).

### Corporate Motives

The motives that underlay the merger have been disputed by two principle authors (Reid, 1975; Stacey, 1978). The motives were primarily those of Henry Doyle who was the major instigator of the amalgamation. The majority of the information relevant to the period comes from his personal letters and diaries.

Reid (1975) proposed two potential motives for an amalgamation. First, the desire to exert monopsonic control over the input market by eliminating competition and hence increasing profitability. Second, to attain economies of scale in order to reduce production costs. Reid concluded that the desire for monopsonic control was the prime objective. Furthermore, he maintained that Doyle attempted to hide this in his letters to the other canners, by stressing the advantages of scale economies.

Stacey (1978), however, disputes Reid's contention. He argued that the major purpose for an amalgamation was to attain scale economies by the introduction of mechanization and the centralization of plant. He suggests that consolidation was essential primarily because of the

shortage of labour and the existing overcapitalization in plant; high insurance rates and rising fish prices also played a part.

Stacey's evidence is drawn extensively from the diaries of Doyle himself and does appear to verify that the motive of attaining scale economies was important. Indeed by 1905, fifteen of the Association's canneries were operating at the same capacity as twenty nine of the original number (Stacey, 1978). Stacey also stresses the issue of the labour shortage. This is an important point because it implies that the rationalization plans implemented by the British Columbia Packers Association in 1902 would not have unduly affected the workforce as a shortage already existed.

There is a fundamental shortcoming in the approach of both authors and that is the attempt to identify one or two pertinent factors at a moment in time. It is suggested here, that these motives are implicitly related to the long term growth of the firm and that they need to be considered over a much longer period of time.

As the managing director of a fish supply company in San Francisco, Doyle had gained extensive knowledge of the British Columbian industry. Also well acquainted with the structure of the Columbia River Packers Association (1893) and the Alaska Packers Association (1893), Doyle believed that the British Columbian industry required radical changes in order to compete successfully against the other associations. He argued that the amalgamation of as many

plants as possible should take place and that all marginal facilities should be closed (Doyle, 1901). Such an amalgamation would also eliminate the senseless competition that had arisen amongst the canners and this would result in an enormous saving in the cost of fish. The closure of all unnecessary plants would also reduce the number of fishing boats that would be required.

Doyle argued that the reorganized business would ensure larger and more permanent profits. He stressed to the other canners the importance of possessing the canneries on the Nass to ensure a virtual monopoly over production in the North. He also noted that the fishermen and cannery labour would be easier to deal with in the North than on the Fraser by virtue of their relative isolation from the larger centres (Doyle, May 8, 1902).

The evidence drawn from Doyle's diaries merely emphasizes the fact that no single factor initiated the amalgamation. Although market control and economies of scale were obviously important it is also apparent that there was a desire to attain as high a productivity as possible from the labour force at the lowest possible price. It is also clear that the interpretation of the labour supply factor is contentious. In particular, it is unclear as to whether it was the depletion of the skilled labour pool or the potential power and price of labour which exercised the stronger influence on the instigation of an amalgamation by Doyle.

## The British Columbia Packers Association: 1902

The number of canneries had increased significantly by the turn of the century and fairly intense competition existed. The industry was relatively new, the resource plentiful, and the open policy on canning operations made the industry attractive to potential entrepreneurs. In 1901 there was an extremely large run of salmon and the high proportion of poor quality fish in the pack gave rise to massive overproduction and a large carryover. The prospect of poor runs for the next few years, coupled with the existing over-investment in the industry resulted in many of the canners facing large debts.

The strategy employed by Doyle in undertaking the amalgamation involved first securing the capital and then obtaining the options on the various firms. Doyle won the approval for an amalgamation from the three major banks with whom most of the canners were in debt. The Bank of Montreal held approximately fifty percent of the accounts, the Canadian Bank of Commerce forty percent and Molson's Bank, the remainder. This offered the dual solution of permitting the companies to liquidate their indebtedness without causing disruption to the industry. Next, Doyle visited Eastern Canada and through Aemillius Jarvis formed a syndicate to furnish the capital.

Doyle then approached the canners individually, stressing that he was not trying to buy them out, to retire them or even to gain personally if the venture was

successful. He reiterated the arguments that were outlined earlier and he also proposed that the former owner operators should be given preference for all cannery positions and that the management would function without interference from the Eastern board. Although the reaction of the canners was somewhat mixed, most of them decided to sell, presumably because of their debt situation.

The amalgamation was completed by May of 1902 when the British Columbia Packers Association was incorporated under the laws of New Jersey State. Alexander Ewen became the president of the company and Doyle the general manager. The incorporation in the United States was presumably because of the progressive incorporation laws and lower taxation levels that existed there at the time. The majority of the capital however was supplied in Eastern Canada mainly by the Bank of Montreal and small shareholders scattered throughout Quebec.

Forty two canneries and two cold storages were transferred to the holdings of the British Columbia Packers Association. Table 4.1. illustrates the location of the plants, the previous owner and the origin and closure date of the canneries.

Most of the companies acquired were small. Three larger firms remained outside of the merger, the Anglo-British Columbia Packing Co., the United Canning Co. and J.H. Todd & Son. in addition to some smaller companies.

Table 4.1 - Canneries acquired by the British  
Columbia Packers Association - 1902

| CANNERY              | OWNER                        | BUILT | CLOSURE   |
|----------------------|------------------------------|-------|-----------|
| <i>Fraser River</i>  |                              |       |           |
| Acme                 | Acme Canning Co.             | 1899  | 1918      |
| Albion               | Albion Canning Co.           | 1899  | 1917      |
| Alliance             | Alliance Canning Co.         | 1895  | 1903      |
| Anglo-American       | Anglo-American Canning Co.   | 1896  | 1914      |
| Atlas                | Atlas Canning Co.            | 1895  |           |
| Bon Accord           | Bon Accord Fishery Co.       | 1879  | 1902      |
| Brunswick#1          | Brunswick Canning Co.        | 1893  | 1903      |
| Brunswick#2          | " "                          | 1897  | 1930      |
| Canadian Pacific     | Canadian Pacific Canning Co. | 1893  | 1924      |
| Celtic               | Welsh Bros.                  | 1897  | 1917      |
| Cleeve               | Cleeve Canning Co.           | 1897  | 1910      |
| Colonial             | Kwong Man Tai Co.            | 1897  |           |
| Curie-McWilliams     | Currie-McWilliams Co.        | 1897  | 1920      |
| Delta                | Victoria Canning Co.         | 1878  | 1902      |
| Dinsmore Island      | Dinsmore Island Canning Co.  | 1894  | 1913      |
| Empire               |                              | 1899  | sold 1902 |
| Ewen                 | Ewen & Co.                   | 1876  | 1930      |
| Fishermen's          | Laurent Guichan Estate       | 1898  | sold 1904 |
| Greenwood            | Greenwood Canning Co.        | 1899  | 1902      |
| Harlock              | Victoria Canning Co.         | 1897  | sold 1904 |
| Hume                 | J.A. Hume & Co.              | 1896  | 1902      |
| Imperial             | R. Ward & Co.                | 1893  | 1981      |
| London               | F. Boutillier & Co.          | 1895  | 1902      |
| Pacific Coast        | Pacific Coast Packing Co.    | 1893  | 1903      |
| Provincial           | Provincial Packing Co.       | 1896  | sold 1905 |
| Terra Nova           | Terra Nova Canning Co.       | 1892  | 1927      |
| Wellington           | Victoria Canning Co.         |       | 1902      |
| Westham Island       | Westham Island Packing Co.   | 1896  | 1902      |
| Westminster          | Westminster Packing Co.      | 1893  | 1903      |
| <i>Skeena River</i>  |                              |       |           |
| Balmoral             | M. Conyers & R. Bryn         | 1883  | 1932      |
| Cunningham           | Cunningham & Sons.           | 1883  | 1926      |
| Standard             | Victoria Canning Co.         | 1889  | 1903      |
| <i>River's Inlet</i> |                              |       |           |
| Brunswick#3          | Brunswick Canning Co.        | 1897  | 1930      |
| Wadhams              | E.A. Wadhams                 | 1887  | 1942      |
| Wannock              | Victoria Canning Co.         | 1884  | 1902      |
| Vancouver            | Vancouver Packing Co.        | 1897  | 1902      |



*Outlying*

|                |                            |      |      |
|----------------|----------------------------|------|------|
| Alert Bay      | Alert Bay Canning Co.      | 1881 | 1930 |
| Bella Coola    | Clayton Canning Co.        | 1900 | 1935 |
| Low Inlet      | Victoria Canning Co.       | 1890 | 1933 |
| Princess Royal | Princess Royal Packing Co. | 1900 | 1902 |
| Quashella      | Victoria Canning Co.       | 1883 |      |

*Nass River*

|         |                      |      |  |
|---------|----------------------|------|--|
| Cascade | Victoria Canning Co. | 1889 |  |
|---------|----------------------|------|--|

Information compiled from C. Lyons, 1969.

## Implications of the 1902 Rationalization

Although the impact of the rationalization was felt for several years afterwards, the major effects had been implemented by 1905. The major concern here is the impact on the distribution of canneries and the implications for employment. In addition, brief reference is made to the age and location of the plants closed; the subsequent fate of the machinery originally housed in the plants; the consolidation of the fishing fleets; the role, if any, that the original entrepreneurs continued to play in the industry and the success of the merger for the British Columbia Packers Association.

Ten of the amalgamated forty two canneries were closed immediately; seven on the Fraser, two in Rivers Inlet and one in the Outlying region (Table 4.1). Doubtless these plant closures were primarily based on the decision to eliminate the duplication of facilities wherever possible. The oldest of the plants was built in 1878, the youngest in 1900. The remainder of the plants had been built at various stages during this period. It would appear therefore, that there was an insignificant relationship between the age of a plant and the decision to close it. It is suggested that plant closure was primarily based on the decision to eliminate the duplicating facilities wherever possible.

The purchase of the canneries from their original owners included the land, all of the buildings, plant fixtures, machinery, fishing gear, ships, boats, scows and

trade marks (Lyons, 1969). The machinery was removed from the closed plants and transferred into the remaining facilities. The fish caught in these areas was then taken and packed at the nearest cannery. According to Doyle (1902) it would have been desirable to close more plants in the Northern regions but the technological capability of the fishing vessels prevented the catches being transferred easily between the regions. Even so by 1905 only fifteen plants were in operation .

The decline in the number of plants operating in the entire province is illustrated in Fig. 3.3. From a total of seventy three plants in 1901 the number had dropped to fifty by 1904; most of the closures taking place on the Fraser. Although there was an overall increase in the number of canneries in the province later, this was mainly in the Northern and Central coast regions whose potential had not yet been fully realized.

It was also the beginning of a trend towards increasing corporate concentration that was to continue in the British Columbian fish-processing sector to the present time. The structure of the industry was changing from an essentially competitive type to one of competitive oligopoly in which the British Columbia Packers Association was pre-eminent.

The rationalization certainly proved to be successful for the Association. In the first year of operation the company accounted for fifty percent of the total salmon production; the remainder being accounted for by eighteen

other firms (Reid, 1975). By 1905 fifteen plants were operating with the same capacity as that of the original twenty nine in 1901.

The evidence is somewhat mixed as to what became of the original canners. Alexander Ewen, a prominent entrepreneur, became president of the newly formed company. Doyle became the general manager. Some of the former cannerymen took on positions of district superintendents but little else is known. Doyle, however, resigned in 1903 and was later followed by Ewen. The reasons for their departure are unclear.

Apparently Doyle expressed concern that the original promise given by the Eastern board to allow former cannerymen positions in the firm was broken. Lyons (1969) also suggests that a rift developed between Doyle and Jarvis because of the non-existence of a formal agreement that prevented former cannerymen re-entering the canning business for seven years. Doyle was succeeded by George Wilson, the Association's secretary and originally from the Brunswick Canning Co. Henry Barker, a canner experienced on the Columbia River and the Puget Sound, assumed the presidency.

It is interesting to note that at the time of the Association's formation, it was branded as a monopoly in the East. A certain degree of antagonism was directed towards the firm from the Federal (and Provincial) government. This was probably because the company had been incorporated in New Jersey at a time when considerable political patronage

existed in Canada (Lyons, 1969). In 1914 the company became incorporated under a British Columbian charter.

The period from 1903 to 1912 on the Fraser represented the transition from primarily manual labour to a largely mechanized process. By 1912 the modern canning line was firmly established. It is difficult to assess precisely what happened to the employees working in the canneries because of the absence of hard data. According to Stacey, the introduction of the Iron Chink, which paralleled the centralization plans after 1906, was influential. The machine required only three men to operate it, replacing the original butchering team of thirty (Stacey, 1978). This in itself would have eliminated a substantial number of jobs.

The suggestion that the rationalization absolutely eliminated employment is inevitably open to argument in view of the anticipated labour shortage. Nevertheless, there are hard facts; the introduction of the Iron Chink replaced the skilled Chinese labour while the washing, wiping and cleaning machines would inevitably reduce employment prospects for the Indians. Furthermore, the fact that the canners were not prepared to replace the Chinese labour by Indians or whites because of their perceived propensity to strike or demand better wages, reinforced the advantages of introducing mechanization into the industry.

## V. The Growth of British Columbia Packers: 1926-1930

The rationalization implemented by the company in 1928 was characterized by a number of issues that paralleled 1902. Both rationalizations were precipitated by an increase in the number of canneries that resulted in excessive capacity in plant facilities, an increase in competition and the financial instability of a number of firms. At the same time, the 1926 period was far from being a mirror image of the earlier period. It was evident by this time that a distinct trend was taking place from the essentially competitive market structure that was present around the turn of the century to one of oligopoly. Although Henry Doyle had long since severed formal ties with the company (which became the British Columbia Fishing & Packing Co. in 1921), he continued to follow the performance of the firm with interest. It is also possible that Doyle's regular correspondence to Jarvis in the East may well have caused him to visit Vancouver in 1925 and to instigate a series of acquisitions.

The discussion of environmental conditions that preceeded this second phase of consolidation will focus on the similarities and contrasts compared with 1902. The evidence cited to throw light on the corporate motives of this period is again predominantly drawn from the personal material of Henry Doyle.

Between 1926 and 1928 three firms were persuaded to merge with the British Columbia Fishing & Packing Co.;

Wallace Fisheries Ltd., Gosse-Millerd Packing Co. and Millerd Packing Co. In total, twenty five salmon canneries, eight fish meal and oil plants, two salteries and a ship building subsidiary were added to British Columbia Packers' holdings.

### Environmental Conditions

In contrast to the turn of the century, the early 1920's were marked by intense market instability in Western Europe. This was partly because the United States had disposed of large stocks of accumulated salmon through Europe after the first world war. It was further accentuated by poor rates of foreign exchange. Demand increased somewhat by 1925, helped by the introduction of new organizations that marketed the product by a consignment method in Eastern Canada. However, this did not fully compensate for the earlier market instability. The market situation was further aggravated by the competition from the salmon producers in Alaska, the Puget Sound and Siberia and the Californian sardine canners.

There was no huge salmon run during the early 1920's similar to the legendary run of 1901. Furthermore, the fish resource itself was gradually becoming depleted on the Fraser River watershed. This was a matter of concern to the government and the canners and led to a series of conferences between Canada and the United States. The aim was to reduce the fishing on the Fraser but the motion was

overridden by representatives from the United States.

A significant change occurred in the legislation concerning the licensing of fishing and canning operations. The policy of granting exclusive fishing privileges in certain waters was finally abolished by the Dominion government in 1921. This, coupled with the abolition of cannery permits in 1918 caused concern amongst the established canners because of the anticipated increase in competition.

One of the most significant contrasts to the turn of the century was the absence of any major technological innovations. Indeed the basic technology of the processing sector remained relatively unchanged after 1915. Nor did the labour market suffer the problems of the period prior to the first rationalization. It appeared that an adequate supply of workers existed including whites, Indians and Chinese. Many workers still migrated to the Northern canneries from the Lower Mainland and a number of permanent settlements had arisen based on the fishing industry.

A depression in the early 1920's affected all of the companies including the larger ones. The British Columbia Fishing & Packing Co. was no exception. In fact erosion of its relative position in the market place had begun prior to the 1920's. According to Doyle, the company suffered its first loss since formation in 1922. By 1924 it accounted for twenty four percent of the pack; a decline of 50% since its formation (Doyle, 1924).



The reasons for the decline in the firm's fortunes are contentious. In Doyle's estimation part of the blame stemmed from the conservative management of the firm and the failure to acquire a number of plants when the opportunity arose. There was probably some truth in the assertion. There was little evidence to indicate that the company, in recent years, had pursued an aggressive growth policy. Yet at the same time, other firms had been quietly expanding. By 1926 Gosse-Millerd had become the second largest producer in the province, Wallace Fisheries had acquired some well located properties in the industry and the Canadian Fishing Co. (Canfisco) had been rapidly expanding.

Despite the upturn in market conditions, by 1925 the accumulation of a number of adverse factors had left Wallace Fisheries and Gosse-Millerd in a precarious financial situation. Neither had paid a dividend in recent years and both were heavily overcapitalized (Doyle, 1925).

The structure of the industry had changed significantly since 1902. Before 1902 there were numerous competitors all struggling for a share of the market. Prior to the 1928 rationalization the industry was dominated by relatively large firms. Even so, considerable competition prevailed. Thus, although the British Columbia Packers Association had emerged as the forerunner at the turn of the century, its position had not remained unchallenged.

## Corporate Motives

Although the conditions during the 1920's rendered an amalgamation feasible, little is known about any individual's motives other than Doyle. In the absence of other sources of company information, it is argued that Doyle's opinions can at least be regarded as those of a keenly interested and informed observer.

Although Henry Doyle had long since left the company he had maintained a close watch on its activities. He had continued to correspond with Jarvis, urging him to instigate a further amalgamation within the fishing industry. The reasons for Doyle's concern can only be speculated at. It is possible that even after leaving the company so long ago, he still desired to return to a position of control within the firm. It seems probable that Jarvis was influenced to some extent by Doyle, or he at least respected his opinion on the current position of the British Columbian Fishing & Packing Co. within the industry. Doyle had written to Jarvis on numerous occasions stressing the advantages of an amalgamation. By 1924, however, he had abandoned the idea of amalgamating the majority of firms and he focused on the two most important competitors of the British Columbia Fishing & Packing Co.; Gosse-Millerd and Wallace Fisheries.

According to Doyle (1924), the strategy of eliminating half of the canneries owned by the three firms and concentrating production in the remainder would result in a number of advantages; lower production costs, increased

efficiency, greater control over the supply and export markets and as a result, increased profitability. It would also enable the company to exert a virtual monopoly in the Northern region.

The canners, whilst recognizing that a solution was necessary, were rather suspicious of each other and hence for an amalgamation. One exception was A.D. McRae of Wallace Fisheries. McRae had been actively trying to sell his company to the British Columbia Fishing & Packing Co. but his proposal had been turned down by the Western board for unknown reasons. Shortly later he suggested an amalgamation between the Anglo-British Columbia Packing Co., J.H. Todd & Son Ltd. and the British Columbia Fishing & Packing Co. Again, little interest was shown by the Western board of the latter. The Eastern board, however, evidently regarded the proposal favourably and in 1925 therefore Jarvis set out for Vancouver to instigate a series of acquisitions in the industry. Jarvis overrode the objections of the Western board in his desire to undertake an amalgamation. Although he admitted to the Western board that some of the canneries he sought to purchase were not particularly advantageous, nevertheless, the purchase would eliminate a certain degree of competition.

It is interesting to note that even though several large firms had emerged in the industry by this time, none of them had actively pursued the idea of an amalgamation or a rationalization in the industry. This could have been

related to their current financial situation or, a period of transition in the management structure of the firms. In the case of the British Columbia Fishing & Packing Co., it appeared that the objectives of the firm were still not clear cut. In this sense the second amalgamation that resulted in the emergence of British Columbia Packers represented a watershed in the transition from a predominantly competitive type structure to one characterized by oligopoly.

### The Formation of British Columbia Packers

Jarvis set about integrating Wallace Fisheries and Gosse-Millerd into the British Columbia Fishing & Packing Co. Wallace Fisheries was obtained relatively easily because the owner had been actively seeking to sell off its assets. 1927 was a poor year and both the British Columbia Fishing & Packing Co. and Gosse-Millerd were badly hit. Although strained by the purchase of Wallace Fisheries, the British Columbia Fishing & Packing Co. took over the assets of Gosse-Millerd (Table 5.1). After the amalgamation, the firm was renamed British Columbia Packers Ltd., a title retained to the present time. The merger was followed by a further one when the Millerd Packing Co. was taken over shortly after.

Although only three firms were actually acquired, they themselves represented previous amalgamations of various companies (Table 5.2.). As a result, the British Columbia

Table 5.1 - Companies amalgamated by British  
Columbia Packers: 1926 - 1928.

1926:

*Wallace Fisheries Ltd.* incorporated 1910 to acquire:

Wallace Bros. Packing Co. Ltd.

Strathcona Packing Co. Ltd.

Alberni Packing Co. Ltd.

Hickey Canning Co.

Wallace Diesel Ships Ltd.

1928:

*Gosse-Packing Co. Ltd.* incorporated 1926 to acquire:

Gosse-Millerd Ltd.

Matilda Creek Fisheries Ltd.

Seymour Navigation Co.

Millerd Packing Co. Ltd.

*Gosse-Millerd Ltd.* incorporated in 1921 to acquire:

Gosse-Millerd Packing Co. Ltd.

McTavish Fisheries Ltd.

Sea Island Canning Co. Ltd.

Canadian Canning Co. Ltd.

1928:

*Millerd Packing Co. Ltd.*

Information compiled from C. Lyons, 1969.

Fishing & Packing Co. added twenty five canneries, eight fish meal and oil plants, two salteries and, a ship building subsidiary to its holdings (Table 5.2.). The conflict arising between the Eastern and Western boards led to the resignation of Barker, the president, whereupon Jarvis assumed his position.

Two major competitors had therefore been absorbed leaving the Anglo-British Columbia Packing Co., J.H.Todd & Son and Canfisco as the major competitors of British Columbia Packers.

#### **Implications of the 1928 Rationalization**

The major effects of the 1928 rationalization were felt by 1931. The pattern of plant closures that followed this amalgamation closely resembled that of the earlier period. According to Lyons (1969), the marginal plants in each district were closed down and production became even further centralized. However, what constituted marginality is not quite clear. Eight plants were shut down immediately, followed by four more in 1929. The closures in 1928 were spread throughout the entire province. Those that occurred in 1929 and 1931 were concentrated in the Northern and Outlying regions; the Queen Charlotte Islands were badly affected. The data in Table 5.3. illustrates the locality and origin of the plants closed. Nine canneries were built in the previous century including the original Ewen plant (1876). Eleven were built in the 1900's and several more

Table 5.2 - Canneries acquired by British Columbia Packers: 1926-1928

| CANNERY                        | LOCATION                | BUILT |
|--------------------------------|-------------------------|-------|
| <i>Wallace Fisheries</i>       |                         |       |
| Watun River                    | Queen Charlotte Islands | 1911  |
| Mill Bay                       | Nass                    | 1878  |
| Claxton                        | Skeena                  | 1892  |
| Strathcona                     | River's Inlet           | 1905  |
| Smith's Inlet                  | Smith's Inlet           | 1883  |
| Kildonan                       | Barkley Sound           | 1903  |
| Quatsino                       | Vancouver Island        | 1911  |
| <i>Millerd Packing Co.Ltd.</i> |                         |       |
| ✓Sointula                      | Malcolm Island          | 1924  |
| ✓Ferguson Bay                  | Masset Inlet            | 1924  |
| ✓Seal Cove                     | Prince Rupert           | 1925  |
| ✓Jedway                        | E. Moresby Island       | 1926  |
| ✓Barnard Cove                  | Barnard Cove            | 1928  |
| <i>Gosse-Packing Co. Ltd.</i>  |                         |       |
| Fraser River                   | Fraser                  | 1896  |
| ✓Vancouver                     | "                       |       |
| ✓Bella Bella                   | Bella Bella             | 1912  |
| ✓Sunnyside                     | Skeena                  | 1916  |
| ✓San Mateo                     | Vancouver Island        | 1918  |
| ✓Namu                          | Central Coast           | 1893  |
| ✓Kimsquit                      | "                       | 1901  |
| ✓Captain Cove                  | Pitt Island             | 1926  |
| ✓Hecate                        | Nootka Sound            | 1926  |
| ✓Shannon Bay                   | Graham Island           | 1926  |
| ✓Bothwell                      | Smith Inlet             | 1926  |
| ✓Nitinat                       | Nitinat                 | 1927  |

Information compiled from C. Lyons, 1969.

Table 5.3 - Cannery closures after the  
1928 rationalization

| CANNERY      | LOCATION                | BUILT |
|--------------|-------------------------|-------|
| <i>1928:</i> |                         |       |
| Nass Harbour | Nass River              | 1881  |
| Cunningham   | Skeena River            | 1883  |
| Dominion     | Fraser                  | 1906  |
| Strathcona   | River's Inlet           | 1905  |
| Terra Nove   | Fraser                  | 1892  |
| Captain Cove | Pitt Island             | 1926  |
| Kimsquit     | Outlying                | 1893  |
| San Mateo    | Vancouver Island        | 1918  |
| <i>1929:</i> |                         |       |
| Oceanic      | Skeena River            | 1903  |
| Ferguson Bay | Masset Inlet            | 1924  |
| Jedway       | E. Moresby Island       | 1926  |
| Sointula     | Malcolm Island          | 1924  |
| <i>1931:</i> |                         |       |
| Brunswick    | Canoe Pass              | 1897  |
| Ewen         | Fraser                  | 1876  |
| Vancouver    | River's Inlet           | 1897  |
| Brunswick    | " "                     | 1897  |
| Smith Inlet  | Smith Inlet             | 1883  |
| Bella Bella  | Bella Bella             | 1901  |
| South Bay    | Moresby Island          | 1926  |
| Watun River  | Queen Charlotte Islands | 1920  |
| Nitinat      |                         | 1917  |
| Quatsino     | Vancouver Island        | 1911  |

Information compiled from C. Lyons, 1969.



during the 1920's. Again age did not appear to be of overriding importance in the decision to close plants. Little evidence exists as to the size of the individual plants. The critical factor again appeared to be location. Yet if one examines the pack figures (Fig. 3.9) it is clear that the salmon runs had not declined significantly despite claims that the resource had experienced a steady decline. Indeed the runs between 1922 and 1925 were relatively similar to previous years, whilst 1926, 1928 and 1930 experienced record runs.

By 1931 nineteen of British Columbia Packers' plants were inoperative; nine of these never reopened. From a peak of seventy six canneries in the entire industry in 1926, the number had declined drastically to thirty five by 1931. Although it is arguable that the depression during the 1930's accentuated the trend of closures, it was not the most significant factor given that a policy of plant closure and centralization of production had been instigated earlier.

What characterized the plant closures during this era was the marked effect on the Northern, Central and Outlying regions. In addition to the strategy implemented by British Columbia Packers, Canfisco had also proceeded to implement a strategy of consolidation that only served to exaggerate the overall distribution of production. Many plants closed down in the industry including canneries in the Queen Charlotte Islands, Alert Bay, Bella Bella, Namu, Butedale, Rivers

Inlet, Smith Inlet and Vancouver Island. Fig. 3.3.

illustrates that a distinct decline occurred in all of the regions after 1926. The number of canneries on the Fraser had averaged around ten from 1920 throughout the 1930's and 1940's. Although the Skeena remained important as the focus of activity in the Northern region it experienced a reduction from fifteen plants in 1931 to seven throughout the 1940's. By the mid-1930's only two plants were operating on the Nass and these were closed after the war. The fifteen establishments in the outlying region in 1920 had declined to five by 1932 and Vancouver Island was left with only a couple after the war.

The implication of the cannery closures for the fishing sector was to increase the travelling distance between the fishing grounds and the canneries. This was encouraged by further changes implemented shortly after the formation of British Columbia Packers. An effort was being made among the canners to improve the use of gear and equipment by restricting the gear allowance and the amount of use in various areas. The transfer of boats between the companies was also introduced.

As the number of canneries began to decline British Columbia Packers inevitably gained increasing control over the fish resource and in 1930 the company accounted for 40% of the total annual salmon pack in British Columbia.

The implications for the labour force were far-reaching. The evidence available for this period suffers

from the same problem as the previous era, namely the lack of substantive quantitative material. Aggregate employment data, (Urquhart & Buckley, 1963) however, does indicate some interesting trends. Fig. 3.12. clearly illustrates that a distinct decline in the number employed occurred between 1926 and 1930 and with the exception of the war years this trend continued throughout the 1940's. Furthermore, such a trend appears to correlate with the number of cannery closures that took place during this period. It would seem that many people lost their jobs in the canneries and did not find alternative ones in the rationalized facilities because no new jobs were created. The aggregate employment statistics indicate that employment fell from a total of eight thousand two hundred and forty six in 1927 to four thousand seven hundred and ninety six in 1932. Although employment rose again during the following decade, after the war a major decline set in.

Again, the fate of these people is unknown but the economic and social costs must have been hard. No unemployment benefits or union existed at the time to soften the blow. It was not merely the loss of extensive jobs in the canneries that occurred, but also the death of numerous settlements based on the fishing industry. A few memories still remain today from people who lived in them and worked in the industry. As Wicks the old-timer from the Skeena recalls:

"The fishing industry, vital to Port Essington and the major employer of the lower Skeena underwent a

rapid change which ended the prominence of Port Essington and killed many canneries."  
(Wicks, 1976).

The Indians in particular must have been badly affected as a major source of income was eliminated. In these Northern regions there were few alternatives. People were therefore forced to move from the outlying areas into larger settlements, to Prince Rupert and Nanaimo. Many of the Indians were encouraged by the government to shift into larger settlements and the thousands of seasonal workers no longer travelled up the coast. According to Large:

"From a peak of eighteen canneries in the area only two retained their individuality after the merger. Inverness (J.H.Todd) and Cassiar (Canfisco), all in the main river were eventually abandoned and the centre of activity moved to Prince Rupert"  
(Large, 1957).

In Alert Bay, where the British Columbia Fishing & Packing Co. had been granted the exclusive rights over fishing in the Nimpkish River, a number of associated activities had arisen around the canneries such as local woodcutting, charcoal smelting and a saw mill. When British Columbia Packers closed its operations in the late 1920's these other industries also died (Healey, 1958). Similarly in the Queen Charlottes; the community at the Woden died with British Columbia Packers' cannery in 1930. Further closures occurred in Ferguson Bay, South Bay and Selwyn Inlet (Dalzell, 1968).

The reduction in the amount of seasonal work was therefore accompanied by a loss in the total number employed. The people that lost their jobs did not find new ones in the rationalized facilities. The reduction in

employment fluctuations had been accompanied by a decline in the aggregate employment opportunities.

## VI. British Columbia Packers Ltd: The Rationalizations of 1969 and 1980.

The structure of the British Columbia fish-processing industry had moved further towards one of oligopoly since the 1928 rationalization. In 1969 three major firms dominated the purchase of raw fish and the processing and distributing of fish products in the province; British Columbia Packers, the Canadian Fishing Company (Canfisco) and the Anglo-British Columbia Packing Co.. All three had been present from the early twentieth century.

In 1969 the Anglo-British Columbia Packing Co. departed from the fish-processing industry in British Columbia. The assets of the company included two major plants and a sizeable fishing fleet. The Phoenix plant on the Fraser and the North Pacific plant on the Skeena were both acquired by Canfisco. The fishing fleet was divided, however, between British Columbia Packers and Canfisco. Although British Columbia Packers did not actually acquire any plants, the exit of one of the last two significant competitors evidently opened the door for the streamlining of both British Columbia Packers' operations; a trend accentuated by a similar policy at Canfisco. The events that followed raise the question as to the extent of collaboration that existed between the two firms in negotiating the takeover.

To provide some corporate background to this rationalization period, reference needs to be made to the growth of British Columbia Packers since 1939 (Table 3.6) As

previously noted, the expansion of the firm prior to 1930 was characterized by horizontal integration. During the post-war period a policy of forward vertical integration was pursued as British Columbia Packers bought firms and acquired shares in wholesale and distribution companies throughout Canada and the United States. Inevitably the acquisition of other fish-processing companies reinforced the trend towards increasing vertical integration within the industry.

Vertical integration had been further encouraged by the policies implemented by the Federal government, notably the introduction of the Davies licensing plan in 1969. The plan was bitterly opposed by the fishermen and the UFAWU and the issue is still unresolved today. The scheme had significant implications for the ownership of the fish resource, the increased control over the resource that the large companies gained and the elimination of many fishermen.

The period that followed the 1969 rationalization was characterized by two major issues. First, the British Columbian industry became virtually dominated by two firms, British Columbia Packers and Canfisco. Further, the corporate policy implemented by British Columbia Packers ensured that the trend towards centralization and concentration of production was intensified and accompanied by a significant decline in employment opportunities. There is, however, a problem during this period regarding the issue of the number of people who lost jobs. The aggregate

statistics provided by the Department of Fisheries indicate that fewer jobs were lost than do the union sources. According to the union, it is very difficult to assess precisely the number of workers employed throughout the entire season because of the seasonal nature of the industry. During a processing season there is a peak period, often only a few weeks in length, when the number employed increases significantly. The government statistics appear to record only the total number of year round employees. The aggregate statistics for the period after the 1969 rationalization, however, do indicate that the total number employed declined from three thousand and twenty in 1966 to seventeen hundred by 1972.

The second issue was the integration of the industry into an international network of corporate control and finance. This resulted from the takeover of British Columbia Packers by the British based conglomerate George George Weston Ltd. and the influx of Japanese investment that occurred during the 1970's.

Two major factors were critical in encouraging the 1969 rationalization. One was the decision by the Anglo-British Columbia Packing Co. to sell off its major assets in British Columbia and concentrate on the east coast. The other was the fact that British Columbia Packers was in an excellent position to benefit from the situation because of internal changes that had taken place in the firm. In 1962 the firm had been secretly acquired by George George Weston Ltd.; a



fact only made public in 1966. The financial backing for British Columbia Packers was presumably provided by George Weston Ltd. as British Columbia Packers had previously been in no financial position to undertake such a venture.

### Environmental Conditions

A long period of time elapsed between the rationalizations in 1928 and 1969. The intervening events will therefore be briefly considered.

After the 1928 rationalization, a spurt of activity took place during the second world war and a number of canneries opened to contend with the increased production. It was also a period of time when the union became firmly established and the presence of the union proved to be highly influential during the 1950's and 1960's compared to the earlier period.

After the war the number of establishments canning salmon continued to decline (Fig. 3.3) and during the following two decades the total number hovered between eighteen and twenty four. The aggregate statistics for processing establishments indicate that forty nine plants operated in 1967 and of these, twenty two canned salmon (Lyons, 1969). Nine were located on the Fraser, seven in the Skeena and Nass regions, two on Vancouver Island, three in the Central area and only one remained in the Queen Charlotte Islands. The remaining twenty seven plants were probably quite small and accounted for a relatively small

percentage of the total value of fish products.

During the 1950's problems arose for the fishing industry in general because the province was expanding industrially and a major search was underway for hydro-electric power. At times this conflicted with salmon bearing streams and there was strong disagreement between both the canners and the union and the government. However, towards the end of the decade several technological innovations had occurred in the primary sector that inevitably had implications for the processing industry. These included the introduction of synthetic fibres for nets, the use of hydraulic power blocks for handling seines and the extended use of hydraulically driven drum seines. In the processing sector, the utilization of refrigerated sea water held in metal tanks allowed the transportation of raw fish over greater distances than ever before. A relatively longer period of time could therefore elapse before it was necessary to process the fish.

A further problem arose during the 1950's because of the imbalance between the availability of markets and the size of the pack. At times when the salmon runs were plentiful markets had shrunk. On the other hand there were periods when the markets opened and production was insufficient to fill the demand.

These situations occurred in the early 1950's. Prior to the second war, markets for canned salmon existed in forty six countries. In 1951, the outlet markets had declined

significantly. This was partly because of higher prices for canned salmon, the restriction of dollar imports in the United Kingdom and quota schemes in other nations.

Markets began to expand by the late 1950's but unfortunately the salmon runs were not good. Although the salmon runs have declined since the 1930's, the value of salmon (Fig. 3.2) and the export value of salmon (Fig. 3.10) have risen especially during the 1960's.

The role of the union represented an additional force prior to the third major rationalization. Strikes took place in the fishing and the processing sectors and the conflict between British Columbia Packers and the labour force was often bitter. A significant reduction in aggregate employment occurred after 1944 and employment continued to decline to the time of the 1969 rationalization (Fig. 3.12).

This did not reflect a shortage of labour or the introduction of significant technological innovations. It was an attrition that reflected several interrelated factors; economies of scale, the introduction of year round employment, a decline in the resource base and a desire on the part of the company to eliminate dependence on the labour force as far as possible.

On a number of occasions British Columbia Packers penetrated regions in Canada and elsewhere in the pursuit of cheaper raw materials and labour (Chapter Three). The company entered various fields in the United States and set up operations in Peru in 1956. Furthermore in 1969, British

Columbia Packers announced that the trawl operations in Steveston were to be run down in order to concentrate on the ground fish resources in the Maritimes. This appeared illogical given that there were rich resources off the Pacific coast, a 50% growth in the United States market had been projected by 1976 and one of the major areas of demand was in California. It is interesting to note that the price of fish was significantly lower on the East coast where labour was also less organized than in the West (Fisherman, Sep. 1969).

The role that the Federal government played was highly influential during the 1960's and centred around the controversial Davies plan implemented in 1969. In retrospect it failed to solve the two basic problems that underlay its rationale, namely the depletion of the salmon resource and the over investment of capital. Essentially the Davies plan attached the fishing licence to boats rather than fishermen and permitted the transference of the licences. Yet in the first year of operation five hundred and seventy vessels left the salmon fleet and capital investment increased by eight million dollars. It was argued by the UFAWU at the Pearse Commission hearings in 1981 that the transferability of the licences had caused many fishermen to sell them during periods of poor catches and low prices. The new comers in the industry had then proceeded to increase investment and the cycle continued.

Indeed, it was admitted by the vice-president of British Columbia Packers at the same hearing that the company had benefitted from the licensing scheme. In 1969 the company owned numerous vessels of little worth that increased in value overnight from four thousand dollars to around twenty five thousand. It was also admitted that many worthless boats had been sold for their tonnage alone and beached or destroyed vessels subsequently had their licenses transferred.

In 1969, it had been argued by the union that such a policy would only encourage vertical integration within the industry. Yet in 1969 when the amalgamations had begun, Davies, the minister for Fisheries, firmly asserted that:

"If any one of the big companies should start buying up a significant number of boats I will be on the phone to its president in a hurry."

The idea of corporate dominance was dismissed as:

"Fears of a complete takeover by George Weston Ltd. or Nefco (Canfisco's parent) are a figment of someone's imagination."  
(Fisherman, April 1969)

Consideration of the underlying motives illustrates the shift from those of a dominant entrepreneur to those of the management as a whole. It is important therefore to examine the activities of British Columbia Packers since the 1930's and to infer from these and from company reports what the motives of the company were. The data in Table 3.6.

indicates that British Columbia Packers effectively pursued both horizontal and vertical integration in the processing sector. During this period the company pursued a strategy of

horizontal integration. This inevitably reduced competition in the processing sector and at the same time exerted greater control over the supply side, in terms of the prices paid for fish and the size of its rental fishing fleet.

During the 1940's British Columbia Packers began to vertically integrate into the wholesale and retail sectors. Diversification into other fish products was pursued domestically and abroad to provide the company with a broader earnings base (Table 3.6.). This, combined with the search for cheaper raw materials and unorganized labour, enabled British Columbia Packers to achieve a successful degree of flexibility in its investment base and production operations. Flexibility of operations is an important aspect of corporate strategy; if changes occur in the economic or political conditions of a region or nation, investment can easily be shifted elsewhere.

During the latter part of the 1950's, however, British Columbia Packers experienced severe financial problems. Several poor seasons, combined with a fire in 1962 at the Namu plant, placed the firm in a precarious financial situation. Despite the problems that the firm encountered during the late 1950's and the early 1960's, by the mid 1960's British Columbia Packers was flourishing again. The remaining 47% interest in Coast Oyster and its subsidiaries were acquired in 1962. Namu was rebuilt in 1963 and a new multi-purpose processing plant was completed at Steveston in 1966. In the annual report of 1966 the company reported

that:

"This new growth strategy during the 1960's had been deliberately implemented to provide a broader earnings base in incorporating diversity of product and location. "

(Annual Report, British Columbia Packers, 1966)

There was good reason for the firm being able to implement these plans; only in 1966 did it become publicly known that British Columbia Packers had been secretly taken over in 1962 by George Weston Ltd. Ltd. At the time of the acquisition the huge British based multi-national conglomerate owned 69% of the shares; the responsibility for the financing of the deal is not clear. News of the takeover only leaked out after a Senate inquiry into the food industry.

In 1962, George Weston Ltd. controlled one hundred and fifty firms in various countries including Britain, the United States, France, West Germany, South Africa, Australia and what was then Rhodesia. George Weston Ltd. was the third largest merchandising group in the world and it controlled 30% of the Canadian food industry. It was estimated that British Columbia Packers accounted for 75% of the British Columbian salmon pack which ultimately gave George Weston Ltd. extensive control over an important provincial industry. Today, George Weston Ltd. owns 83% of the shares in British Columbia Packers, which is merely one of the three to four hundred firms that it is estimated George Weston Ltd. controls (Ross, 1981).

George Weston Ltd. had undergone a major internal reorganization in the 1950's and was rapidly expanding. British Columbia Packers presented a good opportunity for the control of a major source of processed fish. A merger was undertaken, the terms of which have never been disclosed and British Columbia Packers subsequently became financially more stable than during the preceding years.

A further unexpected announcement was made shortly after when British Columbia Packers disclosed that in 1960 it had secretly acquired Nelson Bros. Nelson owned the Great West Packing Co. and shared the ownership of Nelbro with British Columbia Packers. The company had always been regarded as a major competitor of British Columbia Packers and presumably the takeover had been kept quiet to maintain an appearance of competition. British Columbia Packers had already undertaken a merger in 1954 when it purchased J.H. Todd & Son, in co-partnership with Canfisco; a fact that was only confirmed after a Combines investigation in 1959.

Now that it constituted one minor section of a multi-national conglomerate, British Columbia Packers had to integrate its objectives and policies with those of the parent company. As far as George Weston Ltd. was concerned, any sectors that did not fulfill expectations regarding growth, profitability and efficiency would be eliminated. There had been many examples during its rationalization plans in the 1950's (Ross, 1981). According to Creber, (the newly appointed president) prior to the rationalization



plans of British Columbia Packers in 1969:

" When I took on the job I was dismayed by what I considered and still consider, inadequate profit margins."

The solution, he argued, was to be found in:

" consolidation, centralized financial control and increased consumer prices."  
(Fisherman, April 1980).

Creber, a Toronto lawyer was the director of a number of firms including George Weston Ltd., such as Wittington Realty, Eddy Paper Co. Ltd., Burnsfood Ltd. and Bishop Building Materials Ltd.

Creber's remarks raise the issue of the importance of profitability to a firm. The activities of British Columbia Packers since the 1940's illustrate that growth was an extremely important objective. The reference to profitability does not necessarily indicate that this was the most important objective, rather that it was one of a number. Indeed, it is probably more politically acceptable for a company to openly discuss profitability rather than rationalization.

In 1969 the Anglo-British Columbia Packing Co. departed from the fish-processing industry in British Columbia. The assets of the company included two major plants and a sizeable fishing fleet. The Phoenix plant on the Fraser and the North Pacific plant on the Skeena were both acquired by Canfisco. The fishing fleet was divided, however, between British Columbia Packers and Canfisco. Although British Columbia Packers did not actually acquire any plants, the

exit of one of the last two significant competitors evidently opened the door for the streamlining of both British Columbia Packers' operations; a trend accentuated by a similar policy at Canfisco. The events that followed raise the question as to the extent of collaboration that existed between the two firms in negotiating the takeover.

### **Implications of the 1969 Rationalization**

The rationalization plans of British Columbia Packers were quickly implemented. The first plant to be closed by British Columbia Packers was Sunnyside, built on the Skeena during the 1950's. The plant provided employment for around two hundred people. With the exception of plants such as Imperial that operated on a year round, multi-product basis, most of the plants belonging to the larger firms were of this size. In April British Columbia Packers began to remove the plant equipment from Klemtu located on the Central coast. Klemtu was built in 1927 and it was operated by J.H. Todd for many years prior to its acquisition by British Columbia Packers in 1954. Klemtu was finally closed in May.

These closures were compounded by Canfisco closing down the Phoenix plant, built in Steveston in 1882. In addition both of the plants acquired by Canfisco from the Anglo-British Columbia Packing Co. ended production in March (Fisherman, Mar. 1969). North Pacific (1869) and Inverness (1876) between them accounted for around five hundred employees.

At the beginning of 1971 the Fisheries Association withdrew a number of rental gillnetters and seiners in the Skeena and Nass regions. Namu, the last remaining plant on the central coast, was finally closed by British Columbia Packers (Fisherman, Jan. 1971). Built in 1893 this plant had traditionally provided employment for Indians in the village of Bella Bella. One hundred and fifty boats were also withdrawn by the company in the area. Another plant in Steveston, Paramount, operated by Nelson Bros., a subsidiary of British Columbia Packers, was closed in February (Fisherman, Feb. 1971).

Between 1969 and 1972, nine plants had been closed down. Four of these belonged to British Columbia Packers; Sunnyside (Skeena), Paramount (Fraser), Namu and Klemtu in the Central region. The closure of the latter two ensured the virtual demise of processing along the central coast. As a result, the concentration and centralization of production became further pronounced in the Prince Rupert area and the Lower Mainland (Fig. 3.7).

The implications of the closures were highly significant for the labour force in terms of the loss of jobs. The Indians living along the central coast who depended on the fishing industry for a living were particularly badly hit. It was estimated that at least two hundred and fifty people lost their jobs at the Slough in Inverness and probably a similar number at Sunnyside (Fisherman, March 1971). During 1971, the withdrawal of

Namu, Milbanke and Paramount resulted in the loss of six hundred jobs at peak (Fisherman, Feb. 1971).

By May 1971 the union estimated that nearly one thousand shoreworkers had lost their jobs. Of these, the Native Brotherhood claimed that six hundred and sixty were Indian (Fisherman, May 1971). By the end of the year approximately one quarter of the four thousand coastwide jobs had been eliminated; all for the purpose of streamlining British Columbia Packers' operations for greater efficiency. By 1972 it was estimated that one thousand Indian jobs had been eliminated (Fisherman, Jan. 1972). The Indian villages of Bella Bella and Klemtu had virtually no local industry to sustain them and the already poor unemployment situation was accentuated further.

The rationalization plans implemented by British Columbia Packers centred around the consolidation of its operations in Prince Rupert and the Lower Mainland. It was not a shortage of labour that forced the company to close plants and further concentrate production. The majority of people that lost their jobs in the North were Indians who had few other employment alternatives open to them. It was unlikely that the displaced workers would find jobs in the remaining plants because no new jobs were being created. The effect was not only felt by the shoreworkers; as the plants became increasingly centralized the fishing fleets owned by British Columbia Packers were also reduced. Many of the fisherman, if they rented a boat, could not go and fish

elsewhere once these boats were withdrawn.

From the point of view of the companies the closures were merely an unfortunate side effect of the rationalization policies. Both British Columbia Packers and Canfisco had earlier denied having any responsibility towards jobs (Fisherman, May 1969).

The rationalization proved to be successful for British Columbia Packers. During the 1970's only one major competitor, Canfisco, remained in the industry. The trimming back of the labour force ensured a number of advantages for British Columbia Packers; a reduction in operating costs, an increase in bargaining power over the union and the maintenance of productivity from a smaller number of employees. Another indication of prosperity is net sales. Fig. 3.2. illustrates that the sales of British Columbia Packers increased significantly during the 1970's. Net income also rapidly increased during this period (Fig. 3.11). British Columbia Packers operated successfully for several years after the rationalization. It diversified into several new areas including the Philippines and it also acquired shares in United Oilseed Products

The 1971 annual report of British Columbia Packers illustrates that the company was pleased by the results of the rationalization.

"This years results demonstrated the value of the company's strategy of diversification by geographic area and type of product and its emphasis on innovation and flexibility"  
(British Columbia Packers Annual Report, 1971).

The fate of the labour force had not been so prosperous nor did the future hold much promise. The developments in the industry that preceded the final rationalization in 1980 served only to integrate the sector and the labour force further into the sphere of corporate control and decision-making.

### **The Acquisition of the Canadian Fishing Company**

In April 1980, the New England Fishing Company of Seattle was forced into liquidation. In an effort to raise cash for its parent company, Canfisco sold the majority of its assets to British Columbia Packers.

The demise of Canfisco was closely related to the influx of foreign investment, specifically Japanese, into the British Columbian fish-processing sector during the 1970's. This investment caused a boom in the herring industry. It also instigated a major shift towards an increasing proportion of the salmon pack being frozen for the Japanese market. By 1979, however, the boom had collapsed and serious over-capitalization resulted in the processing and fishing sectors. This, coupled with the gradual depletion of the major fish resources (salmon and herring) and the loss of the Japanese market, placed the industry in a major predicament for the fourth time this century.

An important characteristic of this period was the integration of the entire industry within a tight network of

international finance and control. Not only was the industry dominated by British Columbia Packers, it was also subordinate to George Weston Ltd., one of the largest manufacturing networks in the world.

### Environmental Conditions

The issue of foreign investment has been extensively researched by a number of authors (Molson, 1974; Proverbs, 1977; Quadra, 1979). A brief discussion of the problem is however required here because of the repercussions it had for Canfisco.

Domestic pollution, depleted resources and changes introduced in the two hundred mile offshore fishing zones, had all forced the Japanese to seek new fishery resources. Encouraged by the Japanese government, one hundred and ninety two firms had been set up in co-partnership with fifty four countries since 1976 (Fishing News International, 1978). The major attraction in British Columbia was the herring fishery, herring roe being a delicacy in the Japanese market.

Japanese investment took the form of direct investment by setting up new firms, debenture debt in existing firms and interim financing. By 1978 five new firms had been set up in British Columbia, a number of these financed by Japanese capital. Examples of such investment included the financing by Marubeni Corporation; it held a significant interest in the Central Native Co-op, a 49% interest in

Oakland Fisheries and a similar interest in Cassiar Packing Co. (Quadra, 1979). In 1979, Mitsubishi purchased a 10% interest in the New England Fishing Co. Ltd., the parent of Canfisco.

British Columbia Packers in its own operations dealt directly with Japanese capital; Mitsubishi and British Columbia Packers both held shares in United Oilseed Co. Moreover, the giant Taiyo Fishery Co. Ltd., a major purchaser of fish products from British Columbia Packers, was linked to both Mitsubishi and Mitsui. It is important to realize that these Japanese firms are large trading houses, extremely powerful in international spheres of finance, trade and production. For example, the annual sales of Mitsubishi Corp. in 1977-78 were equivalent to Exxon, the largest manufacturing company in the world (Proverbs, 1978).

One of the problems that arose with such investment was the rapid shift towards the Japanese market that occurred. Management of the herring industry had become entirely directed to the roe market in Japan. In addition there was a growing shift from the canning of salmon to freezing, again for the Japanese market. Although for a while the herring industry proved valuable, the boom collapsed in 1979 when Japanese consumers refused to pay the exorbitant prices that were being demanded. The herring source had been seriously depleted and the market collapse was followed by the closure of several firms.



Many Japanese firms proceeded to remove financial support and this resulted in serious overcapitalization in the processing and the fishing sectors. It was not only the small firms that were affected. In May 1980 the New England Fishing Co. of Seattle, was forced into receivership. The reasons cited for the company's collapse, by president Reid Rogers were; the depression of the Japanese market; the devaluation of the yen and the current high interest rates (Seattle Times, 1980).

The intensive fishing that occurred in the herring fishery only helped to accentuate the long term depletion of the resource. The resurgence in the 1970's in this area had no doubt been welcomed after the collapse of the huge herring meal and oil operations during the 1950' and 1960' s.

Salmon, the most important fishery of all, had also experienced a decline in recent landings. The annual average landing has hovered around one hundred million pounds; one third to one half of the historic average. Although 1978 was a successful season, 1979 and 1980 both witnessed poor runs. The reasons for the decline in the salmon fishery are too complex to be examined here but they include poor logging practises, river pollution, overfishing and the implementation of dam systems.

This raises the subject of the role that the Federal and Provincial governments have played. The Fisheries department, for example, is responsible for the period of time that the fishing grounds are open to commercial

fishing. Each time a closure is implemented, however, there appears to be a serious lack of communication between the government, the union and the companies.

This was also true throughout the series of talks that took place between Canada and the United States over the issue of salmon interception. The union felt that the Canadian government consistently gave way to the demands of the United States and that their views were overruled.

Both the Federal and Provincial governments instigated a number of research reports in various areas of the fishing industry. These ranged from foreign investment, the salmonoid enhancement programme (Schaeffer, 1978) and culminated in the extensive Pearse investigation in 1981. Neither level of government appears to have taken substantial steps with respect to the reports. In the case of the foreign investment investigations, the subject was virtually ignored despite recommendations from various sources in the industry to implement controls. Legislation that required Canadian nationality as a pre-requisite for a fish-buying or plant licence was easily evaded by hiring local people to apply. Only in the June of 1978 did the Provincial government place a moratorium on new licenses (Fisherman, June 1978). By this time, it was too late.

During the 1970's the labour force, represented by the union, was faced with the prospect of bargaining with two major companies over fish prices, wages and jobs. The union has never been slow to indicate their disapproval on the

trends that were taking place in the industry. Their calls for the restraint of foreign investment or controls on the interception of salmon, however, fell on deaf ears. The union has not merely voiced complaints over these issues. They have regularly constructed reports and frameworks on the problems of salmon interception, the pollution of rivers and the decline of the resource base.

The labour force experienced a marked reduction in the availability of jobs between 1969 and 1971. Only seventeen to nineteen hundred jobs were available during the season peak. Furthermore, these were only in the two major areas where processing had become concentrated. After 1971 the number of jobs increased because of the boom in the herring industry. It must have been evident to the labour force that stability of employment was extremely precarious in the light of previous experience and it was an issue over which they were powerless to bargain.

### **Corporate Motives**

Growth continued to be important to British Columbia Packers during the 1970's. In 1974 the company acquired Sea Breeze Ltd., Sea Breeze Foods Ltd. and Rupert Certi-Fresh Ltd. thus pursuing its policy of diversification. This was followed by the purchase of a 33% interest in United Oilseed Products and a subsequent 30% interest in Mar Fishing based in the Philippines. The most significant investment, however, was the acquisition of the majority of Canfisco's

assets in 1980.

This acquisition offered the opportunity of virtually dominating the purchase of fish. It also established British Columbia Packers as the major salmon processor in the province. Furthermore, the acquisition of a major plant in the Northern region would enable British Columbia Packers to undergo a thorough rationalization of its activities in the area. According to the chairman of British Columbia Packers, R.I. Nelson:

"The purchase of most of Canfisco will restore the company's share of the industry catches to historic levels and will position the company to take advantage of future opportunities. The latest consolidation is designed to upgrade our capability from the point of view of quality as well as quantity."

(Fisherman, April 1980).

The Canadian Fishing Company had been formed in Vancouver in 1906 to engage in halibut fishing. The majority of the catch was then sold to the New England Fishing Company which had already begun operations along the British Columbian coast in 1893. Canfisco became incorporated in Canada in 1908 and was sold to Nefco the following year. It did, however, continue to operate under a Canadian charter (Lyons, 1969). For many years only the 'Home' plant was operated, in Vancouver. Between 1923 and 1926, Canfisco acquired and built several other plants. By 1926 the firm controlled thirteen plants throughout the province.

In the April of 1980 after a long and successful operation, Canfisco sold the majority of its assets to British Columbia Packers. Four processing plants were sold

in the Northern region; Oceanside, Atlin Fisheries, Inverness and North Pacific plus one hundred and twenty gillnetters. The processing plant at Tofino, the shares of Sooke Harbor Fishing & Packing Co. and a fish buying station at Port Albion comprised the assets acquired on Vancouver Island. In the Lower Mainland, Britannia Shipyards and the Scotch Pond vessel moving facilities in Steveston changed hands. The Home plant was retained by Canfisco (Fisherman, April 1980).

The most recent insight into the motives of British Columbia Packers was illustrated at the Pearse Commission in 1981. According to officers of the company the time has come to:

"consider the consolidation of processing into fewer or even a single organization" -

Indeed, the George Weston Ltd. representative in the industry proposed that there should be a massive \$300 million buy back scheme to reduce the fleet by 40% and to consider the possibility of an entirely owner operated fleet. It would seem feasible to assume that both representatives envisaged British Columbia Packers in this capacity.

At the time British Columbia Packers was disposing of anything that was costing money without directly generating revenue. The company was hoping to sell its two hundred and ninety gillnet fleet to the Department of Indian and Northern Affairs who in turn would sell them to the Indians in the Northern region. In view of the decrepitness of the

fleet and the argument by the company to reduce the fleet by 40%, it can hardly be regarded as a gesture of goodwill on their part. Rather, the public funds involved in such a scheme would enable the firm to proceed with its rationalization plans in the processing sector that have been hampered recently by insufficient capital funding. The company appeared to approve of the proposal put forward by Davies (former Federal Minister of Fisheries) at the hearings that the way to the future was to eliminate the fishermen as far as possible by retaining only a troll fleet and introducing a series of weirs at the river mouths to catch fish, that would be owned or leased out to the highest bidder.

### **Implications of the 1980 Rationalization**

The implications of the 1980 rationalization are not fully appreciated at the completion of the study. The most immediate effects were felt in the Prince Rupert region although there are broader implications for the entire industry.

The cornerstone of British Columbia Packers consolidation plans was to concentrate its Northern activities in the newly acquired Oceanside plant. This would entail the closure of operations at the British Columbia Packers plant in Port Edward. Sixty percent of the village tax base at Port Edward was derived from the operations of British Columbia Packers. The speed at which the

rationalization was to take place hinged on the opportunity to sell nearly three hundred gillnetters that belonged to British Columbia Packers to the Department of Indian and Northern Affairs (Fisherman Dec. 1980).

At the time of Canfisco's takeover the union was given to understand that there would be a four year period over which to develop a single workforce from the merged plants. It came as a shock therefore when the union was informed in January that it had four weeks to develop a single workforce for the herring season. Only one plant was to be used, employing four hundred and fifty workers, yet there were over six hundred on the Oceanside and Port Edward lists alone. A further surprise occurred shortly after when in February 1981, British Columbia Packers announced that Oceanside would be temporarily closed and Port Edward used for the herring season. In the meantime Oceanside would be upgraded to handle all of the Northern fresh fish and canning operations. Port Edward would then be closed permanently (Fisherman Feb. 1981).

The union forecast that, including the seasonal employees, several hundred jobs would probably be lost during the forthcoming rationalization period (Fisherman, Feb. 1981). Some of the displaced would possibly find work in the major plant but they would have to start at the bottom of the seniority list; many would be faced with the prospect of finding an entirely new job. Moreover, these seasonal jobs were not just a supplement to a family income;

they frequently comprised the major part of a family income.

The problem was further accentuated by the changes that took place in the unemployment payments. The raising of the minimum requirement of weeks worked affected many seasonal workers who would not be eligible and who had no future prospect of a job. Twenty weeks of insured earnings was required for eligibility yet many people had only managed to work for several weeks in the new streamlined operations of British Columbia Packers. In Prince Rupert, where unemployment was running at 30-35%, there were few opportunities for seasonal employees.

The promises of British Columbia Packers to establish stability for the work force appeared to be rather hollow to the employees in the Prince Rupert area. There was little the union could do to offset the effects. In the face of such domination they were virtually powerless to prevent the loss of employment. The situation is complicated because the aggregate figures for employment indicate that around three thousand were employed at peak. The increase was related to the decision by British Columbia Packers to can the frozen carryover from the previous year.

British Columbia Packers appeared to gain immeasurably from the consolidation. It is difficult to assess the proportion of the salmon pack that is accounted for by an individual company because the Department of Fisheries does not allow such pertinent information to be made public. However, the union estimated that in 1981 the company



controlled 70% of the total production and distribution of fish in the province (Fisherman, April 1981). In this respect then, British Columbia Packers has been highly successful.

It was also apparent that British Columbia Packers faced little competition over the fish prices paid to fishermen. During the first half of 1980 the company claimed losses and attributed them to the decline of the roe season, weak markets for frozen seafood products and high interest rates (Fisherman, May 1980). Later in the season tough bargaining arose between the company and the fishermen. British Columbia Packers significantly undercut the prices over the previous year to the loss of the fishermen and the company finished the year in the black. This resulted from the canned fish market remaining stable because of the failure of the usually heavy Bristol Bay run and the decision by the company to can the frozen carryover from the previous year.

The following year British Columbia Packers did report losses but this was mainly because of the acquisition of Canfisco. Although the price of canned salmon was somewhat depressed because of a bumper harvest, high interest rates and the relative weakening of European currencies, British Columbia Packers achieved a significant increase in sales during the first half of the year to \$111.7 million from \$97.1 million over the same period in the previous year. It should also be noted that British Columbia Packers' income

was influenced by an out of court settlement in which it was involved in Seattle. This was over the alleged fixing of prices by Nelbro, a wholly owned subsidiary of British Columbia Packers. It was estimated that the cost of the settlement was in the region of \$4 million.

Little else can be reported about the implications of the 1980 rationalization. It is important, however, to consider the accumulated impact of the four periods of rationalization. British Columbia Packers has succeeded in expanding predominantly by the acquisition of other firms in the fish-processing sector. Expansion has not been restricted to British Columbia where the company virtually dominates the purchase of raw fish and the production and distribution of fish products. It has also entered the United States, the Philippines and Peru.

The fish-processing industry also serves as an example of the manipulation of a predominantly seasonally employed workforce by a company. There is no job security and the company stipulates the amount of labour required in a season. Admittedly this in part reflects the seasonal nature of the industry and the vagaries of the salmon runs. However, it appears to have been used to the maximum advantage by British Columbia Packers. The Northern region is characterized by relatively poor employment opportunities and many people are forced to take seasonal employment. This inevitably places a company in an advantageous position during the bargaining over wages and conditions. Yet if

there were no seasonal employees available British Columbia Packers would not have a workforce.

The aggregate employment statistics illustrate that since around 1915 when the major technological innovations had been implemented, employment hovered between seven to nine thousand until the 1930's. After the second war the decline of the labour base continued. Although there have been periods of time when employment has increased for various reasons, there has been a fundamental trend of attrition. Perhaps British Columbia Packers position on this final period of rationalization is best summed up by their president:

"I think the downside of the thing is overemphasized, the concern over concentration and dislocation."

Yet as the editor of The Fisherman wryly noted

"As has always been the case when the corporate powers of fishing industry have a blood-letting to 'rationalize', it is the industry workers who must contend with the downside"

(Fisherman, April 1980).

## VII. Conclusions

There were two main objectives of the thesis. First, to examine the spatial distribution of fish-processing plants in British Columbia that resulted from the policies implemented by British Columbia Packers between 1902 and 1981. Second, to explore the implications of British Columbia Packers' corporate strategy for the distribution, level and stability of employment of the labour force.

The broad conceptual framework adopted to examine the growth of British Columbia Packers was essentially Galbraithian. The individual corporate strategy of British Columbia Packers was, however, explored at a more specific level by examining four periods of rationalization in terms of the underlying corporate motives and the relevant environmental conditions.

A case study methodology was adopted to enable the growth of British Columbia Packers to be explored over a long period of time. The study clearly brought out the influence that a single firm can have on the aggregate changes that take place in an important regional sector. The approach allowed the qualitative relationships that exist between a firm and other institutions, notably the union, to be explored.

The historical perspective illustrated that the growth strategies implemented by British Columbia Packers were characteristic of those outlined earlier in the evolution of the corporate economy. It took a period of time for the

company to become the dominant corporation in an oligopolistic structure. The firm chose to acquire other companies or shares rather than be constrained by maximizing its profitability.

The analysis focused upon four periods of rationalization implemented by British Columbia Packers in 1902, 1928, 1969 and 1980. These had significant implications for the processing sector in terms of the spatial location of production facilities and the level and stability of employment. The corporate strategy implemented by British Columbia Packers resulted in a distinctive pattern of production.

The initial pattern of canneries scattered throughout the coast gave way to one dominated by the concentration of plants in two major regions. The cornerstone of British Columbia Packers' rationalization policies has been the progressive centralization of production in Prince Rupert and the Lower Mainland whilst processing has been virtually eliminated along the intervening coast.

The implications for the labour force have been far-reaching. I would argue that although there is insufficient quantitative data to make definitive statements concerning the first period of rationalization, qualitative evidence does indicate that widespread job losses must undoubtedly have occurred. Indeed, the aggregate statistics indicate that employment declined drastically after the 1928 era of consolidation. Many settlements based on the fishing

industry and associated activities were wiped out; the people involved must therefore have been forced to relocate elsewhere.

More substantial data does exist for the latter two periods confirming that an extensive number of jobs were lost as a result of corporate policy. The Indians along the Central and Northern coast were significantly affected. The industry had been a major source of income for them in areas with few alternatives and the socio-economic problems already faced by many Indians have been further exaggerated.

Although the cyclical instability of employment between 1900-1940 was reduced compared to the latter period, this was at the expense of a significantly reduced workforce. Furthermore, there is no substantial basis for the company to conclude that such a reduction in the workforce has resulted in greater stability for the remainder of those employed. This is an issue that will only become clearer in the following years. Although British Columbia Packers' major plants operate on a year round basis, it utilizes a significantly reduced workforce.

Employment instability can result from a number of factors; technological change, market or resource uncertainty, corporate mismanagement, a deliberate corporate policy or the relationship between a firm and union. While it is impossible to state precisely the relative importance of all or any of these factors over time, some general comments as to their effect can be offered.

Certainly evidence exists to suggest that technological innovations influenced the absolute level of employment around the turn of the century when a marked decline in employment took place. In turn, these innovations were encouraged by perceived shortages of labour, the rising price of labour and a degree of labour militancy.

Since the formation of the union there was a continual struggle to gain improvements in wages, hours and general working conditions. This conflict doubtless reinforced corporate desires that the dependence on labour should be reduced as far as possible. Given the 'militant' reputation that the union has held it is hardly surprising, from the perspective of the firm, that they should wish to reduce their dependence on a specific regional base and a specific regional work force. It is no coincidence that at various phases in its history British Columbia Packers has expanded into regions such as the Philippines and the East coast of Canada where labour was either unorganized or wages were substantially lower than in British Columbia.

It was noted in the opening chapter that the implications of corporate strategy for the employment of a labour force was an area that had not received a great deal of specific attention in the geographical literature. It is hoped that this study represents a step in helping to fill the lacunae. It is argued that one of the fundamental problems that characterizes the British Columbian fish-processing industry is the conflict of interests that

exists between corporate economic objectives and communal socio-economic objectives. It is concluded that the corporate strategies undertaken in the British Columbian fish-processing sector had far-reaching implications for the labour force not only in terms of their employment prospects but for their entire socio-economic welfare.

The centralization of canneries accompanied by the progressive vertical integration that took place in the industry enabled British Columbia Packers to exert a considerable degree of control over the processing sector and the resource itself. To what extent then has the evolving spatial pattern in the British Columbian fish-processing sector resulted from the discretionary policies of British Columbia Packers and would alternative locational patterns have been viable? The examples of the Icelandic and the Norwegian fishing industries referred to earlier in the thesis clearly indicate that fish-processing plants can remain small and dispersed in an entirely different operating structure. The structure existing in the Norwegian nations has led to the development of self-supporting economic communities in contrast to British Columbia. Indeed, the philosophy proposed by British Columbia Packers - that rationalization and centralization would prove beneficial in terms of employment stability did not prove to be true. As a result, the workforce has been reduced to a situation of working in an industry over which it possesses virtually no control, faced with the prospect



of a continuing deterioration in job prospects and the knowledge that they are dependent on the policies of a powerful company that dominates the industry.

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