

**THE COPPER STORE**

**The Story of Newfoundland and Labrador's First Co-operative**

**Cindy Gibbons  
March 25, 1997**

## THE COPPER STORE

### The Story of Newfoundland and Labrador's First Co-operative

In August 1896 a group of fishermen posed for a photograph outside a fisherman's shed in Red Bay, Labrador. With the help of Dr. Wilfred Grenfell they had started Newfoundland and Labrador's first co-operative society. Their investment capital totalled \$85.00 (Grenfell 1920:219).

Wilfred Thomason Grenfell was a doctor and missionary with the National Mission to Deep Sea Fishermen, a group dedicated to providing medical aid and spiritual teaching to the fishermen of the North Sea (Dinn 1984:740). During the summer of 1892 he sailed to Labrador to assess the need for the services of the Mission. Appalled by the hardship and poverty that existed there, Grenfell became determined to improve the lives of the fishermen along the Labrador Coast and the Northern Peninsula of Newfoundland.

Grenfell was convinced that the infamous credit system was the major cause of poverty among the Labrador fishermen. Similar to what was known in England as the "truck system," the credit system had become the economic basis of the Newfoundland and Labrador fishery. By the time Grenfell arrived the system had evolved into an endless cycle of debt from which a fishermen rarely escaped. He went to the merchant in the spring and obtained, on credit, fishing equipment and enough food to last his family during the fishing season. When the season was over the dried and cured catch was taken by the merchant and applied against the fisherman's account. Sometimes the fisherman came out ahead, with just enough to his credit to purchase winter supplies. In bad years however, he would remain in debt to the merchant. The merchant would then advance supplies to the fisherman to get him through the winter, increasing the debt even more (Great Britain 1933:79-80).

When he returned to England Grenfell found an alternative to the credit system and the economic slavery of the Labrador fishermen. While lecturing at Manchester, England he met an

educator named Paton who was very interested in the economics of the Labrador fishery. Paton suggested that the fishermen could eliminate the credit system by establishing a co-operative to market their own fish (Kerr 1959:109).

The Co-operative Movement in England had enjoyed success since 1844, when weavers at Rochdale in the north had formed the Equitable Society of Rochdale Pioneers. The Society was based on Robert Owen's ideas of co-operative buying and selling (Richardson 1940:24-27). The Rochdale Pioneers were successful. They established such principles as democratic control, open membership, fixed or limited return on investment capital, trade on a strict cash basis and political and religious neutrality which survived and became the basis for establishing co-operatives elsewhere in England and North America (Bolger 1977:35-36).

Grenfell made notes on how a co-operative should be organized and run. He returned to Labrador determined to help the fishermen profit from their own labour (Kerr 1959:109). When he visited Red Bay in the fall of 1895 Grenfell observed that the economic situation there had reached the breaking point. He noted that the scattered collection of huts and stages was populated by desperate fishermen who felt that they could no longer survive on the Labrador Coast (Grenfell 1909:147; 1920:218). He decided that this was the place to establish a co-operative.

Red Bay has had a long history of European occupation, ranging from 16th century Basque whalers and fishermen to early 19th century migratory cod fishermen from the West Country of England. By 1895 however, Red Bay had a permanent population which consisted mainly of fishermen and their families who had migrated from Carbonear, Newfoundland during the middle of the 19th century.

Dr. Grenfell chose to explain the operation of a co-operative to a young man named William Y. Pike, one of the few local fishermen who could read and write. He suggested that Pike find a few men who could invest a little money to begin the venture, but he was not to let the merchant at Red Bay know what was planned. Grenfell then travelled to Harrington Harbour, on the Lower North Shore of the Gulf of St. Lawrence, and left Pike to discuss the idea of a co-operative with the men of Red Bay. When he returned to Red Bay later in the year Grenfell was

disappointed to learn that no one was willing to invest in a co-operative venture. Few of the fishermen had enough money to buy shares, but an exaggerated fear of the local merchant made them even more hesitant. Grenfell left again and William Pike continued his efforts to convince his neighbours that a co-operative was needed (Kerr 1959:110-11).

During the winter of 1895-96 Grenfell was in contact with Josiah Penny of Carbonear, the merchant who did business at Red Bay. It appears as though he was not as formidable as the Red Bay fishermen thought him to be. In a letter to Grenfell, written in June 1896, Penny said that he would be glad to help improve conditions at Red Bay, but he really did not know how to go about it. He stated that his business would benefit if the fishermen could deal in cash. Indeed, business was not good for his firm in Red Bay. He bought fish at a rate of \$2.80 [per quintal] but could not sell it at St. John's for any more than \$2.00. He concluded the letter by wishing Grenfell luck with this venture (Penny 1896). This attitude is a sharp contrast to the feelings of merchants in St. John's, who resented that fact that Grenfell was attempting to establish co-operatives which would become their competitors (Kerr 1959:124).

When Grenfell arrived in Red Bay in 1896 the fishermen were ready to begin a co-operative. The fishing was better that year, and the security that came from the salvaged cargo of a nearby shipwreck gave them the extra confidence to take a chance on Grenfell's scheme (Kerr 1959:125). Seventeen families had each saved five dollars to invest in what became known as the "Copper Store." The \$85.00 was supplemented by a loan from Grenfell himself to enable them to pay for the first cargo of goods from St. John's (Grenfell 1920:219; 1929:12).

Grenfell held a meeting with the fishermen to explain the rules of the co-operative. The heads of the families would be the members, and they would appoint a storekeeper. Goods would be sold at cost price plus freight charges, 5% for the storekeeper's salary and 5% to cover losses and build up a reserve. The goods would be sold for cash and no credit or charity would be given. William Pike was appointed storekeeper before the meeting concluded (Kerr 1959:125-26). The first entry in the minutes of the Red Bay Co-operative Society, made on 20 August 1896, indicates that Levi Pike was made Chairman of the Society (RBCS Records 1896). Afterwards Grenfell had the members pose for a photograph outside the shed where the meeting

had taken place to mark the beginning of the Red Bay Co-operative Society - the beginning of the co-operative movement in Newfoundland and Labrador.

As stated earlier, the general purpose co-operative - one which supplies goods to its members and markets products for them - at Red Bay started with a share capital of \$85.00. Before long the Co-operative was paying a dividend of 5%, and, while this was not a great profit, the members were able to keep their heads above water during years of poor fishing along the coast (Kerr 1959: 137-39).

The year after the establishment of the Red Bay Co-operative Society a student from Harvard University arrived to instruct the storekeeper in book keeping and to help him organize the store (Kerr 1959: 137-39). After this student, Edgar Jones, left Red Bay in 1897 he wrote Grenfell and reported on his progress. He had set the account books in order and explained over and over again to the members how a co-operative was to be run. He had also helped them order provisions to the amount of the capital which they possessed. In the same letter he assured Grenfell of the success of the pioneer venture at Red Bay:

One thing is certain, if the store has not progressed much, it has lost nothing . . . and the blessings that come from its presence in a community are becoming more known to the people and their interest in it increases accordingly. You need not worry over its success.

Before leaving Jones had made arrangements with Dr. Frederick Willway (Grenfell's associate at Battle Harbour) to attend to any further matters when he called at Red Bay later in the year (Jones 1897). The Society's records indicate that Willway was still assisting with the book keeping two years later, in 1899 (RBCS Records 1899)

The Co-operative Society continued to operate in the same fisherman's shed for several years. The idea to build a store of their own was proposed by Wilfred Grenfell in November 1899. Everyone agreed, and in February 1900 they decided that the size of the store would be 30ft x 15ft x 13ft (RBCS Records 1899, 1900).

A Deep Sea Mission nurse paid a visit to Red Bay in 1907. She wrote that the Co-operative Store was doing very well. It was paying a dividend and supplying the people with

necessary items at a reasonable price (Anonymous 1907:15). The Co-operative supplied the people of Red Bay with a wide variety of goods. For example, in February 1908 Mr. Robert Howell ordered the following items: a hoop iron, a blanket, seal twine, soap, apricots, matches and sugar (RBCS Records 1908).

Another visitor to Red Bay, a school teacher at nearby West St. Modeste, wrote that the community had a more prosperous air than others on the coast due to the success of the Co-operative Store. The same visitor described the store:

The upper part of this was like a country shop where things of every description are for sale. On the lower floor was the storehouse for fish which the manager received in exchange for provisions or to dispose of for the people (MLD 1909: 38).

Pleased with the success of the Red Bay Co-operative, Grenfell urged that other co-operatives be started to help the fishermen in Northern Newfoundland and on the coast of Labrador. Before 1920 nine more co-operatives were up and running under the guiding hand of Wilfred Grenfell, including those at St. Anthony, Cape St. Charles, Battle Harbour, Flower's Cove and West St. Modeste (Grenfell 1920: 219-24).

When World War I broke out in 1914 an increased demand for fish in Europe brought prosperity to the fishermen of Newfoundland and Labrador. Grenfell (1918: 123) noted that the Co-operative Stores, including the one at Red Bay, were continuing their excellent work and giving the fishermen more economic freedom. That, he felt, was just as important as the political freedom for which lives were being given at the front.

The prosperity was short-lived. Once the war ended European nations could no longer afford to buy fish from Newfoundland and Labrador. The price of fish dropped. Merchants went out of business. The Labrador Coast was stricken by starvation, destitution and malnutrition. Only two of the co-operatives (St. Anthony and Red Bay) that Grenfell had helped start remained in business. William Pike still ran the store at Red Bay and was able to keep it in business, sparing the community the full effects of the disaster that had hit the coast (Kerr 1959: 216-18).

The Red Bay Co-operative Society continued to thrive. Its members were poor, but when times were bad they were able to unite for the good of the entire community. By 1921, according to Grenfell (1921: 78), the community had the oldest and most successful small co-operative store in Newfoundland and Labrador.

In 1933, with the rest of the Western World in the middle of the Great Depression, the Red Bay Co-operative Society shipped the biggest and best cargo of fish that had ever been shipped from that harbour. The returns depended upon the quality of the entire cargo, so the members often competed with each other to see who could cure their fish best. The result was a better quality fish and a better price. After more than thirty years of co-operation Red Bay had a well developed economy. In 1933, for example, the fishermen of Red Bay could purchase winter supplies while many others on the coast could not (Grenfell 1934a: 160; 1934b: 7).

In 1937 the Society celebrated its 41st birthday. The event caught the attention of an unidentified reporter, who said that good leadership and community spirit had enabled the Co-operative to survive where others had failed. In 1937 Red Bay was the most prosperous and independent community in Southern Labrador. William Pike, said the reporter, was still the Co-operative storekeeper, but he did not make himself a rich man because of it. The reporter was impressed. "Red Bay is a community without any extremes of wealth and poverty -- a model village and a concrete tribute to the co-operative ideal (Anonymous 1937)".

In the summer of 1939 Dr. Wilfred Grenfell, who had been awarded the title "Sir" in 1927 (Ferris 1988: 14-15), made his final visit to Labrador. He was pleased to find that the Red Bay Co-operative Society was still in business. The Society had enabled the people of Red Bay to feed and clothe themselves for over 40 years. In the words of Sir Wilfred Grenfell (1940: 33), they had achieved "the joy of putting into practise the practical love for their neighbours, and set an example."

Grenfell returned to the United States, where he had made his permanent home. He died in October 1940 believing that the economic movement that he had pioneered at Red Bay in 1896 was still prosperous and had spread to other areas of Newfoundland and Labrador. However, back in Red Bay things were changing.

It is perhaps interesting that the Red Bay Co-operative Society ceased to exist shortly after Wilfred Grenfell's death. It appears that by the summer of 1941 William Y. Pike had purchased practically all the shares in the Society and established a business called Red Bay Stores (RBCS Records 1941), which still exists under a different name.

The 1930s were very difficult for Newfoundland and Labrador. The markets for salt cod had collapsed because of a world-wide depression, the Newfoundland Government had collapsed and unemployment was wide-spread. In short, the people were scared (Rowe 1980: 392-93). This situation may have facilitated the sale of Co-operative Society shares towards the end of the 1930s. The members may have been more willing to sell their shares in an attempt to gain more financial security. Ironically, that was the very reason for the formation of the Society in the first place.

Few memories of the Red Bay Co-operative Society remain today. For many years little was said about the revolutionary economic movement that changed the lives of a small group of fishermen a century ago. The original building is gone, as are the founding members. There are, however, a few remnants of the Society. Numerous ledgers survive, and a Minute Book chronicles the beginning of the Society and its activities during the early years. A hand-made flag with the initial RBCS sewn into the centre has been stabilized, mounted and displayed.

The creation of the Red Bay Co-operative Society in 1896 laid the foundation for the future Co-operative Movement in Newfoundland and Labrador. Wilfred Grenfell believed that living conditions among the Labrador fishermen could be improved if they freed themselves from the cycle of the credit system. A small group of fishermen in Red Bay had the drive and determination to make it happen.



## Sources of Information

### PRIMARY DOCUMENTS

#### Anonymous

- 1937 "Red Bay Co-operative Store Reaches 41st Birthday." Provincial Archives of Newfoundland and Labrador, Wilfred T. Grenfell Collection, on Microfilm: roll #1.

#### Jones, E.

- 1897 Letter to Wilfred Grenfell. September. Provincial Archives of Newfoundland and Labrador, Wilfred T. Grenfell Collection, on Microfilm, roll #2.

#### Penny, J.

- 1896 Letter to Wilfred Grenfell. June 12. Provincial Archives of Newfoundland and Labrador, Wilfred T. Grenfell Collection, on Microfilm, Roll #2.

#### Red Bay Co-operative Society

Records of the Red Bay Co-operative Society. 1896, 1899, 1900, 1908, 1940. Currently held by the Bridle family, Red Bay, Labrador.

### PUBLISHED SOURCES

#### Anonymous

- 1907 "Glimpses of everyday Life." *Among the Deep Sea Fishers*, October: 14-17.

#### Bolger, Patrick

- 1977 *The Irish Co-operative Movement: It's History and Development*. Dublin: Institute of Public Administration.

#### Dinn, Ellen, M.

- 1984 "Grenfell, Wilfred Thomason (1865 - 1940)." In Joseph R. Smallwood (ed.), *The Encyclopedia of Newfoundland and Labrador*, Vol. 2. St. John's: Newfoundland Book Publishers (1967) Limited.

#### Ferris, Greta Mae

- 1988 "Life on the Labrador." *Them Days Magazine*. Vol. 14(1), October: 7-9.

Great Britain

1933 *Report of the Royal Commission*. London: His Majesty's Stationary Office.

Grenfell, Wilfred T.

1909 "The Missions." In Wilfred T. Grenfell (ed.), *Labrador: The Country and the People*. New York: The MacMillan Company.

1918 "Report of the Superintendent, Year 1917." *Among the Deep Sea Fishers*, October: 121-29.

1920 *A Labrador Doctor*. London: Hodder and Stoughton Limited.

1921 "Red Bay Industrial Station." *Among the Deep Sea Fishers*, October: 87-88.

1929 *Labrador's Fight for Economic Freedom*. London: Ernest Benn Limited.

1934a "Sir Wilfred Grenfell's Christmas Letter." *Among the Deep Sea Fishers*, January: 154-61.

1934b "Past, and to Come, Seem Best." *Among the Deep Sea Fishers*, April: 3-8.

1940 "Co-operate and Win." *Among the Deep Sea Fishers*, January: 132-34.

Kerr, J. Lennox

1959 *Wilfred Grenfell: His Life and Work*. New York: Dodd, Mead and Company.

M.L.D.

1909 "At Home Among the Fishermen." *Among the Deep Sea Fishers*, April: 36-39.

Richardson, Gerald

1940 *ABC of Co-operatives: A Guide for Producers and Consumers*. London: Longmans, Green and Company.

Rowe, Frederick W.

1980 *A History of Newfoundland and Labrador*. Toronto: McGraw Hill Ryerson Limited.