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Mr. Scott Simms

Standing Committee on Fisheries and Oceans

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● (0905)

[*English*]

The Chair (Mr. Scott Simms (Coast of Bays—Central—Notre Dame, Lib.)): Good morning, everybody. Welcome to St. John's, Newfoundland and Labrador.

This is our first field trip for the committee.

We have a couple of things to clear up, committee, before we move on to our witnesses. We made an agreement before we left that we had a witness list, but it wasn't an exhaustive witness list. We decided that if somebody wanted to be a witness, we would invite them to speak to us, but we'd do it with unanimous consent, so I'll be seeking that in just a few moments.

What we're going to do is add another hour, given that we now have three people who want to appear in front of us who we didn't have before. On the original schedule, we were scheduled to finish at 4:15. We're now going to finish at five o'clock, and we will have three witnesses.

On the three witnesses in question, the three of them are appearing as individuals. I'm going to seek unanimous consent on each of them. The first one we have is former member of Parliament and former member of this committee, Mr. Ryan Cleary. Can I receive unanimous consent?

Some hon. members: Agreed.

The Chair: Jason Sullivan will be the next witness. The original one, Mr. Gillett, was unable to make it, but Mr. Sullivan has also asked to appear. It's a last-minute addition. Is that agreed?

Some hon. members: Agreed.

The Chair: Finally, we have a man who is no stranger to this committee: Mr. Gus Etchegary. Do I have unanimous consent?

Some hon. members: Agreed.

The Chair: Those three witnesses will appear from 4:15 to five o'clock.

Mr. Doherty.

Mr. Todd Doherty (Cariboo—Prince George, CPC): Mr. Chair, for the information of the committee, I would ask if it's possible to get the bios for the three new witnesses, please, prior to their testimony.

The Chair: I know Ryan is here, and I think Mr. Etchegary is here as well.

If you want to supply us with a short bio of yourselves, that would be great, and we'll say before four o'clock or as soon as you can.

That's a good point, Mr. Doherty.

Thank you, folks.

Let's get started. We're running a bit late, but as you can see, we have four esteemed witnesses in front of us to start this off.

I want to start by saying that the study in and of itself in the motion put forward by Mr. McDonald is this:

> That the Committee commence a study of the Northern Cod Stock and its relevance to associated species. This study would evaluate the replenishment of the stock and what other species are affected by it in the region. The study would also look at sustainable harvesting technologies for the future of the cod fishery; and that the Committee report its conclusions to the House.

This is why we are here today.

We have our first group of witnesses. First of all, we have the Honourable David Wells, Senator David Wells from Newfoundland and Labrador.

It's good to see you again, Senator Wells.

We also have with us the former provincial fisheries minister and federal natural resources minister, the Honourable John Efford, and the current fisheries and aquaculture minister, Steve Crocker, from the Department of Fisheries, Forestry and Agrifoods.

It seems you're pretty busy these days, Mr. Crocker.

Also from the Department of Fisheries, Forestry and Agrifoods, we have the deputy minister, David Lewis.

We're going to supply you with 10 minutes each. You don't have to use the whole 10 minutes, of course.

We're going to start with you, Senator Wells. You have the floor.

● (0910)

Hon. David Mark Wells (Senator, Newfoundland and Labrador, C): Thank you, Chair, and thank you, members of the House of Commons, for inviting me and welcoming me here today.

I don't know what background you were given for me, but I'll give a short bio of my background in the fisheries. I started in 1979 in the fishery in Newfoundland and Labrador. My first job was driving a forklift on a wharf. In the 36 years after that, I've done a number of things. I've managed fish plants. I've written over 100 reports, including policy and technical reports for clients. I was a member of Canada's NAFO team at the Northwest Atlantic Fisheries Organization; I was a delegate on that team for a number of years. I was a senior policy adviser to the federal fisheries minister and chief of staff to another federal fisheries minister, and I also sat for a couple of years on the Senate fisheries committee. My background is varied and quite extensive in the Newfoundland and Labrador fishery and, indeed, in the Canadian and international fishery.

I could spend all day talking about the fishery, but there are a couple of specific things that I think are important and that the committee should consider in their deliberations. The first one is the markets for groundfish. If there is indeed a return of groundfish as a primary species for Newfoundland and Labrador, I think it's important that the committee members recognize that this is not the cod fishery of old, where cod was king. Cod now competes strongly—and in fact is losing in that competition—with other whitefish species like tilapia, pollock, and haddock. For the most part, cod as the primary centre of the plaice species has lost that place. I think that's important to recognize. There's a new paradigm in the marketplace.

Second, there's the different business model that's presented. In the past, you had many hundreds of groundfish plants and many hundreds of landing stations. You no longer have that since the moratorium in the early 1990s. That whole system has collapsed and was removed and replaced by a different paradigm, that of the primary species and shellfish, primarily shrimp and crab. I think that has to be considered as well when the question arises of what happens to the emerging fishery of groundfish, of cod specifically, but other groundfish as well.

The third thing that I think you should give some consideration to is the recreation of the Newfoundland and Labrador cod fishery. As I said in my initial point, it's a different place. We have fewer harvesters. We have an older workforce in the processing sector. The number that was used a couple of years ago for the average age of a fish-processing worker was 56 years. That was a couple of years ago, and you don't have the young people coming into the processing sector like you once had. This will naturally lead to more mechanization, and that changes the paradigm of the processing sector.

There are also restrictions on entry into the fishery with fishing licences, and for those who have licences, restrictions on access to other stocks. That's something I think should be considered. I've mentioned, of course, the number and locations of landing sites and processing sites. The quality degrades significantly the more you truck fish from a landing site to a processing site. I think the most important thing to do is to get the raw material into processing, wherever that is, as quickly as possible.

The last thing I want to mention is the management of the industry. Right now, we have a situation whereby the harvesting sector is managed by the federal government, under federal jurisdiction, while the processing sector—or as soon as the product lands at the wharf—is under the management of the provincial jurisdiction. I think there's a huge wall between those two. It's hard, and in fact almost impossible, to have an integrated industry when you have two jurisdictions managing two critical aspects of the fishery. I might have some comments on that afterwards if people are interested in that.

Thank you very much.

● (0915)

The Chair: Thank you, Senator Wells.

We're now going to Mr. John Efford, please, for 10 minutes.

Hon. John Efford (As an Individual): I'll try to keep it to 10 minutes.

First of all, welcome to the beautiful Province of Newfoundland and Labrador. I'll begin in this way: you're going to hear me speak in a different language—and I mean that sincerely—with passion.

I was born in Port de Grave, one of the largest fishing communities on the island of Newfoundland and in Labrador. I grew up into fishing with my own father. Actually, my son is in fishing today, so I've been very close to it.

What I'm amazed at.... I didn't plan any written words this morning. I wanted see what the feeling was around the table and talk to some different people. Ken gave me an opening with his recommendation, his proposal, to do a study in the fishery to see what the cod stocks are like and what the harvesting should be for the future or whatever.

Can you imagine? We closed the fishery. We were part of the closure of the fishery by the federal and provincial governments in 1992. Norway had a closure at the same time for three years, and their stocks were back and they were back fishing commercially, but in 1992 we closed the fishery, and now we're going to recommend to do some studying.

I'm not condemning this, Ken, because it's a good idea, if it wasn't done, but just to think that it's not done, in this day and age, gives me one question that I want to ask you people, as the representatives from Ottawa. What is the role of DFO in the harvesting sector if 25 years later we still don't have any solid scientific information on the cod stocks? That in itself leaves a major question unanswered.

I've said many times that we were blessed with the oil industry, but the oil industry bears no comparison to the fishing industry if it's managed right. It's a renewable resource; it will be there forever and ever if—again, the word “if”—we manage it right.

I look at what's happening, and I have meetings with ministers and meetings with individuals, and I walk away shaking my head. My God, where are we headed down the road? If any other country in the world or any other province in Canada had the resources that Newfoundland and Labrador has in its ocean, we would be floating on air all the time, and here we are today, arguing with each other over what to do next. We're making recommendations and we don't know what the outcome is.

The question has to be answered: what is the role of DFO?

If you go down to the DFO building right now, you're lucky if you get to see somebody for eons. The staff is not down there anymore in any numbers. From what I understand, most of the work being asked for or being done, which is nothing compared with what needs to be done, is done through the union. The union's job is not research. The union's job is to protect the fishermen, but that's not happening.

We have two frustrations going on in the one area: we don't know the science, and we don't know what the role of DFO is.

Here's the other thing that really concerns me. I always thought that people living on an island out in the north Atlantic, as we are, who have the resources around.... How could we would be left in this position of asking this question today? First of all, who is responsible for the fishery, but then who gets the right to catch it? Keep in mind that we know very well that in 1992 prior to the moratorium the small boats did not destroy the cod fishery. They did not cause the closure of the cod fishery, because they can only fish a certain number of months each year, and the type of boats and the type of gear they have restricts them from doing any major damage to such a large resource, when there's 800 million tonnes of cod or whatever the numbers are. So there goes that question.

Now we're back wanting to get into the fishery and the people on those small boats can't get the right to go fishing. They are restricted from catching cod because they don't know whether if the cod is out there to catch or not. We're restricted from fishing in our own area because we didn't have a history in any particular fishery, but I thought that everybody understood that the principle of adjacency should be working. If the principle of adjacency is working, then the first people to get the chance to go back into the fishing industry are those people who operate the small boats.

● (0920)

For example, I know of a fleet. In fact, as you go to Port de Grave tomorrow, which I understand you going to be, you're going to see boats that have been tied up to the wharf since the middle of July, with no fishing rights whatsoever. They have all the gear. They have all the trawls. They are not looking for or asking for money. They just want a quota of fish. Yet the factory freezer trawlers are steaming into the community of Bay Roberts with a million and a half pounds of turbot aboard, or a million and a half pounds of some other species of fish, and the small boats in Port de Grave—the 65-foot boats and so on—are tied up to the wharf and not moving whatsoever. I wonder why, and I wonder what's going to happen.

How do we get a start on the future? After 25 years, how do we possibly start over and begin now to do a complete scientific study to just tell us what happened? If we don't already know, then I wouldn't want to be the person who goes out onto the street and tells the people that we have to start over again. With the new gear, all we have to do is to go Iceland or Norway. We know what type of gear should be used: hook-and-line gear.

We opened up the fishery this year, after all these years, and the first thing we put into the water was gillnets. That's the worst darn thing you could possibly do. We have to get markets, and the only way we're going to get markets for our products is to have quality. You will never get quality in gillnets. With hook-and-line, auto trawls, and other ways of catching fish, why would you want to put gillnets back into the water after all these years? Every week when you turn on the radio or the TV they're talking about a marketplace. There's no market for our cod and no market for our groundfish. No wonder, if we're going to handle fish like that and expect people to pay top dollar.

They say there's no price for cod. I go down to Florida in the winter months. The cheapest cod I can buy in Florida is $11 per pound. The most a fisherman can get for a pound of cod here in Newfoundland is 50¢ or 60¢. It's absolutely ludicrous to have that happen.

There's a reason I told you about the passion. This morning, I didn't expect to hear this. I expected to hear some good news that we had some signs—probably not enough—that would give us a level of comfort to start fishing. No way. I expected that we would have a quality assurance program put in place federally and provincially. Not done. If it was done, we wouldn't allow the gillnets to go into the water. If you catch fish with open line, you're catching a top-quality product. We were out yesterday with my son. He took a cod pot. In the cod pot, the fish were swimming around. That's quality. That's the type of thing that needs to be done, and we don't need to go all over the world and study it again.

It's no good asking for half a dozen things this morning. I'd rather ask for one or two things and get something done. When you people go back to Ottawa, you need to get the message through to the Minister of Fisheries that he needs to take charge of the ship. He needs to be captain of that ship. He needs to listen to people, and he needs to make decisions on exactly what needs to be done, and it's not complicated. You don't have to be a rocket scientist to find out how to get a quality product or to find out how much fish is out in the ocean. As we used to say, you can't put a rubber bag over your head and get down and count it. You have to base it on science, and if we don't have the science now, we should be ashamed of ourselves.

Mr. Chairman, we need to get attention paid to those couple of things. Also, we don't need to have the boats tied up. We need the boats out there doing the actual harvesting in a small way to give us an idea of how much is out there. We know. We know the quantity of stock—the quantity, but not the quality—that's out there in groundfish. We're not talking just about cod.

Please take the message back to Ottawa. We should be ashamed of ourselves if we don't have enough science done. We should be ashamed of ourselves if now, today, after all this time, we still have to use gillnets for the fishery of the future.

The Chair: Thank you, Mr. Efford.

Minister Crocker, please. You have 10 minutes.

Mr. Steve Crocker (Minister, Department of Fisheries, Forestry and Agrifoods, Government of Newfoundland and Labrador): Thank you, Mr. Chair, to you and to the committee for the opportunity to be here this morning.

Thank you to MP McDonald for suggesting this as a topic for your committee. It's a very important topic for our province as we move forward. I'll do my best not to go over the points that Senator Wells and Mr. Efford raised earlier so that we have more time for questions.

As we're all aware, the northern cod stock stretches across the northern coast of Newfoundland and Labrador from the Grand Banks to the south of Labrador. The collapse of northern cod was the biggest layoff in Canadian history. It is generally acknowledged that there were several reasons for that collapse. Overfishing, environmental changes, and poor management all played a role. While it is important to learn this in history, we're not here to dwell on the past this morning.

Today, as stocks are built, we have an opportunity for a renewed groundfish fishery with northern cod once again in the forefront. It is extremely important that we rebuild this fishery in a sustainable manner for our fish harvesters, processors, workers, and coastal communities. As we work to achieve economic and environmental sustainability, we must also seek to achieve social sustainability.

As the lucrative snow crab and shrimp stocks decline, we must ensure that our cod fishery emerges as an economic and viable fishery, and we must optimize the value of the resource to all stakeholders.

As we move forward, we must do so with a northern cod rebuilding plan that allows for continued growth of the stock and the rebuilding of the cod industry. Today, management plans require these elements in order for fisheries to achieve market certification, including marine stewardship certification, and I'll speak to that more a little later.

I believe it's also important that we take an enhanced ecosystem approach to the management of northern cod.

While management of the entire marine ecosystem is virtually impossible, we can better integrate the management of improved forage species such as capelin with our management objective for cod. We can also consider the impact of competitors and predators such as seals in the management of cod as we go forward.

In order to do this, we must have guidance from the science community. With the federal government's renewed commitment to and investment in science, it is important that this new investment find its way to Newfoundland and Labrador through DFO. To go back to Mr. Efford's point, science is an integral part of where we have to go with the fishery in the future.

Our government is committed to working with the industry and developing markets for a revitalized cod fishery in Newfoundland and Labrador. One key approach is to promote and support opportunities to enhance market access and to continue to focus on maintaining top quality, from initial harvest through to final market preparation.

Cod is still one of the most important species in the global seafood market. However, market dynamics have changed considerably since Newfoundland and Labrador was a major player in the cod industry in the 1970s and 1980s. Today, the largest players in Atlantic cod fishery are Norway, Russia, and Iceland, which account for more than 80%—more than one million tonnes—of global supply.

There are also millions of tonnes of other substituted whitefish species, both wild and farmed. It is important to recognize that Newfoundland and Labrador has an extremely small share of today's global market. In 2015 our province exported just over 1,100 tonnes of cod fillets, or .0036% of the world total. The large volumes of H and G cod on the world market in recent years has resulted in huge growth in twice-frozen fillets and blocks, primarily processed in China, which are dominating global cod markets.

The largest markets for cod are fresh and frozen fillets in the United States, frozen fillets in the United Kingdom, and salted cod in Portugal. Currently, the Newfoundland and Labrador cod fishery primarily produces single frozen fillets that are portions in the form of tails and loins.

If our industry does not produce and sell high-value cod product, it will be difficult for us to compete with high-quality producing countries such as Iceland and Norway. More importantly, we have to avoid the volume-driven commodity market dominated by China and other countries that are able to produce low-cost product.

● (0925)

The marketing challenges our industry faces with respect to transitioning back to cod include logistics of transportation of fish off island, i.e., fresh cod fillets. Today in Newfoundland and Labrador, we have a problem getting product, whether it's fresh salmon, milk, or livestock, on and off our island, due to simple logistical issues with Marine Atlantic. If we're going to have a successful cod fishery in the future, one of the things that has to be considered when we talk about accessing fresh markets in the U.S. with cod is Marine Atlantic. That is a problem that we will need to address. Our challenges also are to position ourselves to compete globally, to market and produce a consistent supply, and to produce and maintain a consistent quality throughout the supply chain.

Sustainability is key when it comes to market access. Today, all major cod, pollock, haddock, and most flatfish fisheries are MSC-certified, and that again will be a very important factor as we move forward in the cod fishery in Newfoundland and Labrador.

We must also recognize that our industry needs time to transition from shellfish back to groundfish. This will not happen overnight, and it will require governments on both levels—federal and provincial—to work with harvesters, processors, and all industry stakeholders to ensure that the necessary attention and financing are there so that harvesters have an opportunity to transition back into the fishery that Mr. Efford spoke about a few moments ago when you look at technologies.

For example, for a harvester today to move into a hook-and-line system for a 65-foot vessel requires an investment of about $150,000. This investment is not easy to come by as you transition into a fishery, so it's important that all levels of government look at ways in which we may be able to help harvesters in the future when it comes to that transition and the significant financial value that it will bring.

This fall, our government will establish a fisheries advisory council that will be immediately tasked with developing an action plan on cod revitalization. We are pleased that the federal government will participate in the fisheries advisory council once it is established.

The importance of coordination between the federal and provincial policies to support the cod sector, particularly during the industry transition, can't be overstated. It is imperative that we work together to optimize the value from the limited resources that are harvested and processed. We believe strongly that fisheries management decisions, such as the setting of TACs, should be based on scientific evidence in order to protect against the over-exploitation of resources and allow long-term sustainability in the fishery.

In closing, I believe the only way to truly achieve our collective objective regarding the northern cod fishery is by all parties working together. Again, both levels of government have an important role to play in management and regulation to ensure that we have a well-managed fishery providing a high-quality product to the world. Governments can only be successful in implementing these necessary measures through discussion and dialogue with the industry.

Also, going back to what was said by Senator Wells and Mr. Efford this morning, I think another thing is to dialogue. We need to continue the dialogue. It's really good to see that this is a part of that process today, but it needs to continue, and not just in meetings like this. When meetings like this or meetings with ministers and other officials end, we need to carry the message forward and continue to work on it.

Our department of fisheries in this province is certainly prepared to engage in that discussion with all parties. We're quite ready to do so. Quite honestly, in this province, we cannot afford to have a fishery of the future that's not well planned and well managed. I feel that this is really our last chance at a good northern cod fishery in this province, and we have to make sure we do it right.

Thank you.

● (0930)

The Chair: Thank you, Minister Crocker.

Mr. Lewis, would you like to weigh in at this point or during questions?

Okay. One of the things Minister Crocker mentioned was MSC certification. Just to clarify, “MSC” is the Marine Stewardship Council, and you can find out about them at msc.org.

Thank you very much, folks. Now we get into the question rounds. We're going to go to the government side first and have seven minutes of questions. I'm going to be strict on the questions. I will be flexible on the answers. If you exceed seven minutes, there is flexibility built in. We're not here to be that strict.

Now we'll have seven minutes from the Conservative side.

Mr. Doherty, do you have a comment?

Mr. Todd Doherty: Mr. Chair, prior to getting into the questions, I wonder if it's possible to have a copy of Mr. Crocker's speaking points? He had some great information but was speaking a little too fast for me to actually write down some of the things. I understand that we have an English copy. I wonder if we can get a copy of it so we can ask questions pertaining to his testimony.

● (0935)

The Chair: Yes, as per the Standing Orders of the committee and the rules, of course, if we distribute any publication whatsoever—anything—we need to have it in both languages. We don't have a third translation service and—

Voices: Oh, oh!

The Chair: —I apologize. We'll see how this goes along. In order to distribute his comments—they're only in English—we need to have unanimous consent, so I will seek it. I actually have two items, so I'm glad you brought it up. We have Mr. Crocker's comments, plus we have a potential witness who has just requested to speak, and I'd like to distribute a short bio on her before we vote on allowing her to speak as a witness today.

That being said, do I have unanimous consent? All in favour of this distribution?

Some hon. members: Agreed.

The Chair: We're good to go. We'll distribute that, plus the bio I mentioned. We'll take that after the questions.

Mr. McDonald, I understand you're going to start. You have seven minutes.

Mr. Ken McDonald (Avalon, Lib.): Thank you, Mr. Chair. It's good to be here this morning.

Before I start with the first question, I will provide a bit of information.

Mr. Efford asked a couple of questions with regard to the science and where the biomass is right now, and why we don't know. Actually, Mr. Efford, for your information, DFO officials and scientists appeared before the committee last week in Ottawa, and the biomass right now is estimated at approximately 300,000, which is still well below where they would like to see it. It's still rated as being in the critical zone, and I think it's probably in the next year that they will do a full stock assessment again, which will give new numbers for that. I think they were probably providing us with 2015 numbers at that time.

I'll start off with a question for you, Minister Crocker. Basically, how does the province see the northern cod fishery of the future?

Mr. Steve Crocker: Thank you, Mr. McDonald.

First of all, I apologize for speaking fast, but John tells me he understood it.

Voices: Oh, oh!

Mr. Steve Crocker: It's hard when you have 10 minutes and you really have a lot to say. You cram it all in there.

Mr. Todd Doherty: There's a lot of good information.

Mr. Steve Crocker: The fishery that we see in our future looks nothing like the fishery we left in 1992. We left a fishery in 1992 where we were doing primarily cod blocks and second-fiddle products, and we need to become a leader in quality. Quality starts at the side of the vessel.

To go back to Mr. Efford's comments earlier, quality starts with the method of harvest, and gillnets certainly do not meet the method of harvest that we're going to need to compete with the Icelands of the world. If you look at Iceland, primarily right now, you will see that their fishery is a hook-and-line fishery. There are other methods, but it's primarily hook and line. It's interesting, when you look at the Icelandic model, to see that as the use of gillnets goes down, the price of cod goes up. It's very clear to see when you look at Iceland as a country and what they've done with their fishery. Harvesting technology is extremely important.

Then, we need to equip our vessels so they have the proper equipment to bleed and store fish to get it to market and to get it to landing. That's where the province and our role, I guess, really come in. We're responsible for the processing sector. We need to work very closely with DFO in the future when it comes to harvesting, until we get the fish to processing. We will also have to ensure our processors are doing their part to ensure that product quality is maintained.

On the overall question, we see a great promise in our province with regard to northern cod and the opportunities it will provide, but the next years are going to be quite challenging as we transition from primarily a shellfish industry to a cod industry. it's really going to take co-operation in the coming years to get us to where we need to be in the northern cod harvest.

Mr. Ken McDonald: Thank you.

My next question is for all three of you.

Mr. Efford, you raised this as a point: who can catch the fish? You can start, and the other two witnesses can answer as well.

What are your thoughts on the Prime Minister's commitment to have the first 115,000 tonnes allocated to the inshore fishers once the commercial fishery starts up in a commercially viable way again?

● (0940)

Hon. John Efford: My first thought is very clear: what is the inshore fishery? After all these years, that's the question that has not yet been answered in Newfoundland and Labrador. If the inshore fishery is the 65-foot boat—right now, there's the 89-foot, and it's down to just small boat fisherman and the bays—I would agree with it.

If it's not, then I disagree, because now that all that fish is allocated to the inshore fleet, the 42-foot boat that has been fishing with the gillnets has to change. That has to stop. They're limited to where they can travel because of weather conditions. When you have a 42-foot boat, you can only go a short distance from home. You're talking about 10 to 12 miles, you know. That's usually what it is.

The other boats, the 65-footers and the 79-footers, that fleet of inshore boats, can fish on the Grand Banks, and they can give you a bit of an understanding of how much cod is really out there, because nobody is allowed to put a piece of fishing gear in the water out there now, anywhere on the Grand Banks. That's the key. That's a failure in itself because we have many spots out there, and I'm sure there are people here who know more about it than I do. They know about the Virgin Rocks, the Hamilton Bank, and the Funk Island Bank, and that's where the offshore Atlantic cod stocks are.

There's no reason in the world why we couldn't get this fishery back and going the way it should be going, and we don't need to be making a lot of investment to it. The boats have the gear. The boats have the equipment. They're not looking for money to buy things. They're looking for the right to go fishing.

Hon. David Mark Wells: Thank you for the question. It's a good question.

When I learned of that—and I'm not speaking as someone in the political realm now, but as someone who's had over 35 years' experience in the industry—I was quite surprised. It was a social decision, a social policy made by the Prime Minister. As Mr. Efford said, what's going to be forced now is that you're going to have smaller boats going further afield, where smaller boats shouldn't be, to catch fish.

A decision to assign a disproportionate or any proportionate amount to one sector in that way, I think is.... We'll revisit this discussion if a vessel that's not built for the high seas happens to go down because they're overloaded with fish, because they had to go further afield, and because they had the quota access to the fish.

Yes, it was a popular decision among inshore fishermen, of course, but I think there are other ramifications we may have to revisit in the future.

The Chair: Mr. McDonald, thank you very much.

Thank you, Senator Wells and others.

Mr. Arnold, please, for seven minutes.

Mr. Mel Arnold (North Okanagan—Shuswap, CPC): Thank you, Mr. Chair.

I want to thank the witnesses for being here this morning.

We heard earlier that Sweden closed their fishery for only three years. In Canada, it's now 25 years on, and we're still studying it. Can you tell me what the difference was with their stocks? Was it Sweden or Norway that did that? Were their stocks depleted as badly as the stocks off Canada's coast? What did they do differently to restore that fishery so quickly?

Hon. John Efford: First of all, I don't think there was much difference in the problems in Newfoundland and the problems in Norway. The biggest thing that catches my attention is that they had solid signs from day one. They were well equipped to recognize that there was a problem in the fishery, and the scientific information backed it up. What they did was shut it down totally, as we did here, and reopened it after three years.

Nobody could ever answer us or tell us whether, if Newfoundland had done the same thing, what if...? We still don't know today how many fish are out there, after 25 years, so that gives me a great deal of disappointment today. If our scientists haven't provided us that information, God help us for the future. It's all based on solid science or no science at all.

Mr. Mel Arnold: I guess there are contradictory—

● (0945)

Mr. Steve Crocker: Can I just add to that?

Mr. Mel Arnold: Okay.

Mr. Steve Crocker: This is one thing that I missed in my earlier remarks, but it ties into what Mr. Efford just said. One thing for certain that we need to look for in the transitioning years—and beyond—is a commitment from DFO to a full stock assessment every year. There has been some reinvestment in DFO. Fortunately enough, the federal government has seen fit to hire I think almost 20 new scientists here in this province, which is long overdue and well needed.

This province, over the last 10 to 12 years, had to do our own science work. We actually created CFER, the Centre for Fisheries Ecosystems Research. We were forced to do that because of the lack of science being done by DFO. It's very important that DFO take this science role seriously

Hon. John Efford: Could I make a point very quickly? I don't want to take up other people's time.

The other big difference in Canada—and if you go back through my time in federal and provincial politics, you'll find that I talked about it every single week—was that 10 years ago we had an estimation of 10.5 million harp seals, plus the grey seals, plus the hooded seals. People still make fun and say, “Oh, Efford is talking about the seals again”. But if 10 million harp seals each ate only one codfish a year, that's 10 million fish coming out of the ocean.

I'm satisfied to put my reputation on that having an impact on the stocks returning, because we were not allowed to take the fish out of the ocean to eat. Why? It was because we wanted the stocks to return, but if you have 12 million to 14 million seals of different species, then you know where there's a major part of the problem.

Mr. Mel Arnold: Thank you. I'm glad you brought up that point.

Our earlier testimony has contradictory evidence regarding the impact of seals on the cod stocks. I'd like the committee to somehow find out what can be done to determine the seal diet prior to the collapse and post collapse. Did it change? Did they move to a different species? Have they started to compete for other prey, the same prey the cod prey on? There's so much missing there. We need to find out.

Mr. Steve Crocker: I understand the question about what they are eating, but it's really a moot or irrelevant point because, at the end of the day, they are eating seafood. Whether that's cod or whether that's a forage fish, we all know what they are not eating. I think at one point someone said they don't eat turnips. We do know that if it's not cod, they are consuming food that cod would consume.

Mr. Mel Arnold: I can refer to what's happened in British Columbia, my own province, with ungulate species and wolf populations. Wolf populations have been allowed to expand out of control, basically, and because the habitat has changed, the prey species are different. We now have serious problems with ungulate species—mountain caribou is one example—where wolves have switched over from feeding on white-tailed deer and moose to feeding on caribou, because that's all that's left.

Is the same thing happening with seals and cod? You say absolutely? Okay. Thank you.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Arnold.

After the next question, we'll seek unanimous consent for the extra witness.

Mr. Johns, go ahead for seven minutes, please.

Mr. Gord Johns (Courtenay—Alberni, NDP): Thank you.

Thank you for your passion and your commitment to doing this right because, as the minister said, this is probably our last chance.

I come from coastal British Columbia, Minister Cocker. You talked about how a lot of the processing is going offshore and going to China. In British Columbia, we've seen canneries closing. We're shipping our fish to China to get it filleted and then it comes back to our supermarket shelves. That's what's happening at home. It's pretty scary to see that.

Mr. Efford, you talked about the principle of adjacency. I couldn't agree more. I think we need to go to that.

Would you elaborate and maybe cite some models of adjacency, how we can get there, and what's needed to get there?

● (0950)

Hon. John Efford: The principle of adjacency was adopted by the federal Liberal Party at the last convention. “Adjacency” means involving those people who are adjacent or closest—if you want to use the word “closest”—to the stocks. They've just made a decision on shrimp. The shrimp stock is in trouble in certain areas, and they had to make some major changes. The changes they made were based on the principle of adjacency.

The principle of adjacency gives the Newfoundland and Labrador people the right to have the first opportunity to harvest the fish. The factory freezer trawlers get the last. Factory freezer trawlers are one of the main reasons we are here today. If you have a small 80-foot boat coming into Port de Grave or anywhere in Newfoundland, it has nothing in the holds of the boat at all, and it is not allowed to catch the fish, but the factory freezer trawlers are steaming in with a million and a half pounds aboard.

The principle of adjacency is where the first opportunity goes to the local people, and after that, we'll decide.

Mr. Gord Johns: Minister Crocker, you talked about the 20 new scientists that have been hired. What's needed? Obviously, 20 isn't enough, and I can't imagine it would be to get you to what you need.

You talked about an annual review and assessment of the stocks. Can you give us an idea of what kind of staff and resources are needed for us to do this right?

Mr. Steve Crocker: I believe the staff and resources are there now; the staffing increase at the local DFO is in the last three to four months. But we need a commitment to science, a commitment to a full stock assessment every year, at least until we get to a point that we know where we're to, because right now there are indications.... I think our growth rate has been somewhere around 30%, but we need to monitor it.

We see other science issues. There's an issue around capelin. One of the main foods for cod is capelin. It's very important that we understand that fishery, or that species, as well as we go forward.

Among the major challenges we're having in the fishery and this imbalance is one in regard to the cod returning. It's been proven many times by harvesters in this province when cod return. Right now, cod are having a detrimental effect on shrimp and crab. It's nothing unusual to see a fisherman post a picture in which a cod's belly is full of shrimp and, unfortunately, full of small female snow crabs. We have to make sure there's not an imbalance in the ecosystem. Science has to play a major role in doing that and in listening to harvesters as well: these people are on the front lines. In many cases, we're not opening up a dialogue with harvesters, with the people who are on the front lines.

Mr. Gord Johns: Great.

Go ahead, Mr. Efford.

Hon. John Efford: I have to ask one question, and I think this is the key to the whole meeting this morning.

Three hundred thousand tonnes of fish is what science is saying is in the water. You people just gave us that information. I've read it many times. The one thing I've never seen, which I'll ask you to look for when you go back to Ottawa, is this: have you seen a scientific report that supports the point that there are 300,000 less or more cod? Is there a scientific report available that you've seen?

Mr. Gord Johns: Mr. Lewis.

Mr. David Lewis (Deputy Minister, Department of Fisheries, Forestry and Agrifoods, Government of Newfoundland and Labrador): I have one point to add to the minister's comments on science. The minister, in his opening remarks, mentioned the Centre for Fisheries Ecosystems Research, which was an institute that was set up at the marine institute by the provincial government to undertake science, and particularly science on northern cod, utilizing research scientists and graduate students at the university.

It has built a significant capacity at the university. It was using technologies that aren't being used on the coast here in Newfoundland—for example, acoustic surveying. The Norwegians and the Icelanders do multiple surveys in a year and also do acoustic surveys. That hadn't been done in the province here. The survey that DFO does generally is a groundfish trawl survey done each fall.

The science that the Centre for Fisheries Ecosystems Research was able to contribute to the science being done by DFO—and it was in collaboration, to a large extent—certainly increased the knowledge base that the scientists collectively had on the northern cod stock. They did satellite tagging on cod. This was the first time in the world that cod had been tagged by satellite tags.

That gave a much better understanding of the migratory patterns of the fish. It was found that large fish, which the DFO surveys had not been finding, were actually inshore for longer and different periods of the year than had been the case prior to the moratorium. There is a lot of additional science.

Concerning the capelin, which the minister and Mr. Efford both mentioned, we do very little science on capelin. Capelin is absolutely critical to the viability of the cod stock. In Norway and Iceland, they do a tremendous amount of research on capelin, including acoustic surveys. The amount of science we do on capelin is very limited. I believe it's as important to know what the situation is in the capelin stock as to know what the situation is in the cod stock.

● (0955)

The Chair: Thank you, Mr. Johns. That's your seven minutes.

We're now going to go into the round of five minutes. No, my apologies: we go back for seven minutes. We'll do it that way, but we'll talk about the time again later. We have just over 15 minutes left, so we'll see how far we can get with this.

Very quickly, we distributed the bio and information about someone who requested us to do so. That's Kimberly Orren, who wants to testify. Do I have unanimous consent to accept as a witness Kimberly Orren? Are there any objections?

Some hon. members: Agreed.

The Chair: Okay, Ms. Orren, what we are going to do is this. We have a special panel of our overflow guests; I'm sorry, I didn't mean to describe you as “overflow”.

Nevertheless, at one o'clock, we have a panel of only two people, so we can fit Ms. Orren in on that particular panel for three people. Is that okay? All right.

Now we go back again to seven minutes. Turning to the government side, we have Mr. Finnigan.

Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.): Thank you, Mr. Chair.

Welcome to our panel. It's my second visit to Newfoundland, and so far it's as great as the first one. I'm looking forward to spending the next couple of days with you.

I am from Miramichi, and of course there are no cod in the Miramichi, but there is salmon. At least, we're hoping there will be. We face some of the same issues there that you do with the lower numbers, whether from predation or whatnot, so this is interesting for me.

Mr. Wells, I think you stated that harvest has to be close to the processing part of it. Could you elaborate on that as to what this would mean? Would it mean freezing right on board with those freezer plants that you have on board, or do you mean that the communities should be close to where the ships come in? Could you elaborate on what you meant by that?

Hon. David Mark Wells: That's a good question. It's an important question, because in the past, prior to the 1970s, much of the fish that was landed around the coasts of Newfoundland and Labrador was processed at a plant at that landing site. As there became greater competition for that landed resource, the competition would come from processors who weren't necessarily at that community wharf. They would truck that fish to their fish plants. The more you truck raw material that's already dead, there are two things that happen. One is that there's a greater degradation of the resource before it gets to the processing operation, and the second is that it's necessary to have infrastructure at that wharf that can mitigate some of the damage done as it's trucked.

The initial part of the processing of fish is gutting and bleeding, and then icing and having the insulated boxes and that sort of thing at the site. In the old days, you didn't have that. You harvested and landed right at the plant. With the greater competition for the resource, you might have a product that's landed in St. John's harbour and might be trucked 12 or 13 hours away. That's one of the things that needs to be considered.

I'll give full credit to Mr. Efford when he was fisheries minister, because he spearheaded the greater concentration and emphasis on having a quality product.

That started with you, John, and well done on that.

That must be a consideration, whether the product is cod, crab, or shrimp, whatever's there.

● (1000)

Mr. Pat Finnigan: Thank you very much.

Mr. Efford, I think it was you who mentioned that we would need to retool. In other words, 25 years ago, the methods of harvesting and processing would certainly be different from today. I think the reason is quality. Should the stock rebound, how do you see that process taking place? Would we have as many plants all over the island? How do you see that?

Hon. John Efford: First of all, I'm a strong believer in a business sense. I don't like the idea of financial support to an industry from government dollars. I was a business person myself, and I was also, as you know, a politician. I can assure you of one thing. For all of the fishermen I talk to—and that's many fishermen every year—give them the opportunity to fish, and they will provide the tools they need.

We did the crab plants back when I was fisheries minister in 1996, and we based the plants on a regional basis around the province. They weren't all located in one part of the island. That worked out well for the crab industry when it came to the quality of the product. We had examples of trucking tractor-trailer loads of crab down to my area, down in the community where I live. I saw it myself. I was in government at the time, and it was two and three days before they were unloaded. You can't have a quality product like that.

Seriously, for the majority of fishermen in Newfoundland and Labrador, give them the right to go fishing, and they'll find the tools. All you have to do is tell them. The first thing I would do is take every gillnet in Newfoundland and have a bonfire.

Mr. Pat Finnigan: Thank you.

We've had DFO as witnesses a couple of times, and they're telling us that they have monitored the stocks ever since the collapse, and probably before, with whatever resources they have. They are the first to admit that there are still many questions. They're not so sure why Norway has rebounded so fast. Part of the theory is predation by seals and other animals or birds, but also, the warmer waters could have changed the ecosystem.

I ask this of everyone: how should we manage? We know that capelin is one of the favourite foods, but cod will eat other things. How should we manage? If we're moving to other species as far as harvesting goes, how do you think that is important to the cod? How do we manage all of that to make sure we have a balance that exists in order for cod supplies to come back?

Mr. Steve Crocker: I think it all comes back to science, to knowing what's there and what effect one has on the other.

Mr. Efford just showed me a picture of what was dinner for a codfish. It was probably 10 or 12 female snow crab.

We need to make sure the ecosystem is balanced. I guess that would mean more surveys and stronger science. We just came out of a debate here in this province around shrimp in SFA 6, that area, and one of the things in that debate was that we had to convince the federal government to do a yearly commitment to a full stock assessment.

We can never have too much science. The investment in science is going to be crucial if we wish to maintain a solid fishery with all components, whether it be crab, shrimp, cod, capelin, turbot, or other species in the water. We need a strong commitment to science.

The Chair: Thank you very much.

Before we get to five-minute questions, just quickly, Mr. Efford, you wanted to distribute this picture.

● (1005)

Hon. John Efford: I want them to understand that's it's a cod and that's snow crab.

The Chair: I'm going to move this along quickly with copies. Do I have consent from everybody to accept this?

Some hon. members: Agreed.

The Chair: We'll make copies and distribute them.

For five minutes, we're now going to Mr. Doherty.

Mr. Todd Doherty: Gentlemen, I want to say thank you to each of you for your testimony.

Mr. Efford, your passion comes through loud and clear. There's no translation needed for that.

I appreciate all four of you appearing before us today.

My first question is for you, Senator Wells. You started down the path of telling us about how to best manage the fishery. I'm wondering if you can continue down that path with your thoughts.

Hon. David Mark Wells: Thanks for that question.

As I said earlier, one of the biggest problems we have and have always had in the industry is that great divide between the harvesting, which is under federal jurisdiction, and the processing, which is under provincial jurisdiction.

In order to have an industry that's integrated and moves smoothly, I think there's a better model to have, rather than to have that divide between two critical aspects of the industry. I'll speak briefly about my couple of years as deputy CEO of the offshore petroleum board here in Newfoundland and Labrador, which is a federal-provincial agency that's at arm's length from both the federal and the provincial governments. It was written into legislation in the 1980s, and its prime directive was to look after four things: resource management of the oil and gas reserves, environmental aspects, health and safety, and industrial benefits.

I think a similar model that looked after resource management and industrial benefits for the Newfoundland and Labrador fishery, where you would have integration between harvesting and processing, would be a good model, and certainly a better model than we have right now. You would have no political influence or interference. You would have no special interest groups that would have influence, be they processors, harvesters, plant workers, or competing unions.

Like Mr. Efford when he was minister, Minister Crocker, I'm sure you've hear every day from special interest groups that are looking for something: some favour, some benefit, or some emphasis on their particular aspect of the sector.

I know that when I was a senior policy adviser at the federal level in DFO, and then after that the chief of staff, every day I'd get calls asking if people could do this or that. What I think is necessary is to set the rules, set the structure for the rules, and then stop that influence from the special interests. By having groups comply with the rules, everyone knows the rules, and there are no special interests that would have extra or undue influence. I think that's a model that should be looked at between the provincial government and the federal government.

Mr. Todd Doherty: Thank you.

Mr. Crocker, there was a reason why I wanted your notes. You said something that I really wanted to get a bit more information on. Your government has already started work towards a seafood innovation and transition program. I wonder if you could share with us a little more information on that.

Mr. Steve Crocker: That is a program we introduced in this year's budget. It is a small program of $2 million. The focus in that program was to look at funding projects or helping harvesters or processors who are interested in advancing equipment. For example, in that program, we partnered with some harvesters for hook-and-line systems. We also contributed towards some on-board technology, some cod pots.

Mr. Todd Doherty: Is it grants?

Mr. Steve Crocker: Yes, it is a contribution towards capital cost.

One thing I can assure you—and Mr. Efford will appreciate this—is that there is no funding for gillnets.

Mr. Todd Doherty: Is there more information available on your government website on that?

Mr. Steve Crocker: We can certainly get you the full....

Mr. Todd Doherty: Okay.

This is more of a comment. We have talked a lot about managing the fishery, not necessarily managing the fish stocks. I thought I would ask the panel whether you have thoughts on how we move forward in managing the fish stocks.

Mr. Steve Crocker: I think it comes back to one of Senator Wells's points about a management system where we bring the province, the federal government, and all stakeholders together and make sure that when we set out the parameters of this new fishery—because remember, it is not the fishery of 1992—they are agreed upon and they are stuck to. I think that, alluding to what Senator Wells said, one of the problems we have had in the fishery recently has been a piecemeal approach of “do this, do this, and do this”, but then it causes issues.

● (1010)

Mr. Todd Doherty: Mr. Chair, do I have time for one more question?

Mr. Lewis, when the Department of Fisheries appeared before us, they mentioned capelin. I asked when the last capelin study was, and they didn't really give us a great answer on that.

We were presented with information regarding the survey catch. It is an essential change in the past decade of cod stocks. In the 3L district, it is not showing the return to numbers that we are seeing in the more northern side of it. Would you have more information on what the capelin numbers would be in that area?

The Chair: Please answer briefly.

Mr. David Lewis: As I mentioned, the information on the capelin is relatively sparse. The survey work that is done is mostly on an inshore basis. In terms of having a good understanding of the status of the offshore capelin stocks, there is very little information known about that, from my understanding. This is where acoustic surveying—utilizing vessels that could survey in the distant waters out to the 200-mile limit—would be a big advantage.

The Chair: Thank you, Mr. Lewis.

We have five minutes left, with the government side questioning.

Mr. McDonald, please, for five minutes.

Mr. Ken McDonald: Thank you, Mr. Chair.

I would like to go back for a quick second to Senator Wells and his response to the question about the 115,000 tonnes being more of a social type of thing for the Prime Minister to say and to put into his platform as an election promise or to be very supportive. It doesn't surprise me because of the fact that the same Conservative government that was in power—and even when they were in opposition—still felt that LIFO was the right policy for our shrimp fishery. We know where LIFO is today, and the adjacency part of it.

You talk about the federal government controlling the harvesting and the province controlling the processing, and you mentioned the C-NLOPB. Why do you think it hasn't happened? Even with the previous government—for someone who is so passionate and, even though in the Senate, still connected to that party—why do you think it hasn't happened, that we haven't seen a joint management approach to the fishery when it comes to Newfoundland and Labrador?

Hon. David Mark Wells: Again, it's a good question. I'll remove the politics from it; I don't have any comments on LIFO.

I think what happens generally is that groups want to hold and consolidate their authority. That authority, certainly in the fishery, is the jurisdiction. The federal government wants to hold and consolidate what is in their jurisdiction, and equally, I think, the province wants to hold and consolidate what's in their jurisdiction.

In the case of the C-NLOPB and the offshore, the courts ruled that this was federal jurisdiction. There was an agreement made—I think to the great credit to the government of the day—that this would be seen as though it were on land, as in Alberta, or as in the case of other rural resources in Saskatchewan, or wherever it is on land. To its credit, the federal government of the day saw joint management and treatment of the offshore as though it were on land as a correct benefit and the right thing to do.

Part of it is just coming together. Why hasn't it been done thus far? We had some discussions on it around 2006 or 2007 when I was working for then-minister Hearn, but the political environment wasn't there, regardless of the party, between the federal government and the provincial government of the day.

Mr. Ken McDonald: Thank you.

I have another question.

Minister Crocker, you didn't have a chance before to comment on the allocation of the first 115,000 tonnes to the inshore fishers.

Mr. Steve Crocker: In June of 2015, the provincial House passed unanimously our support for the first 115,000 tonnes being harvested by the inshore fishers. We continue to support the first 115,000 tonnes for the inshore. The inshore will provide the most direct benefits to the province. Whether it's the harvesting or the processing on land, it's a very important part for our rural communities in the province, so we maintain our commitment to that commitment.

Let me add something about the joint management piece: it would be interesting when looking at northern cod. In a lot of our fisheries there are many adjacent provinces, and there fishing areas that straddle more than one jurisdiction, but one of the interesting things with northern cod is that there are really only two jurisdictions involved. They are Newfoundland and Labrador and Canada. Northern cod may present a unique opportunity for some type of joint management of that stock in particular.

● (1015)

The Chair: You have one minute.

Mr. Ken McDonald: I'll be quick.

Mr. Efford, we've talked about biomass and everything, and you've been involved both provincially and federally as a minister responsible for the fishery. What level do you, as a former minister, believe the biomass has to be at to sustain a commercial fishery?

Hon. John Efford: First of all, I don't believe the scientific information telling us that we only have 300,000 tonnes in the ocean.

I've been on the Grand Banks. My son is on the Grand Banks. They're fishing, when they get some fish to catch—we're not talking about cod now—and the waters are full. I was out for a trip just this weekend, and what I saw just down in the end of Conception Bay was absolutely mind-boggling.

If they're going to tell us that we only have that amount of cod, what I would like to be assured of and what I would like to see—and this would answer my question—is the scientific written information, how it was arrived at, and who has it, because they can't tell us that we only have that amount of cod. I believe the cod stocks are greater than that.

Mr. Ken McDonald: You think—

The Chair: I'm sorry. We're done. Thank you. The five minutes are up.

I want to thank all of our guests.

First of all, you've received the picture that came from Mr. Efford. I want to thank the Sheraton for providing it in colour, as a matter of fact. It was very nice of them. The other thing, just as a preview, Mr. Efford and the other witnesses, is that we talked about science and this afternoon at 2:30 we have a senior research scientist from DFO who will be testifying. If you'd like to stick around for that, perhaps your questions may be answered during that round.

The other thing, of course, is that we'll have the bios of our guests distributed this afternoon.

At this point, before we break for a few minutes before our next panel, I want to thank our current panellists for coming in: Deputy Minister Lewis, and Minister Steve Crocker, who is also the member of the House of Assembly for—help me fill in the blanks here—

Mr. Steve Crocker: —Carbonear—Trinity—Bay de Verde.

The Chair: Done.

As well, former minister Efford, it's nice to see you again, sir.

I neglected to mention, Senator Wells, that you are a currently a member of the Senate fisheries committee. Is that correct?

Hon. David Mark Wells: No, I'm not.

The Chair: I'm wrong.

Hon. David Mark Wells: I was a member of the Senate fisheries committee a couple of years ago when we did the seal study and the aquaculture study.

The Chair: Then you're there in spirit, I gather. We'll keep it at that.

Thank you very much.

We're going to break for a few minutes. At about 10:30 we'll have our second panel.

● (1015)

(Pause)

● (1035)

The Chair: We'll ask you to take your seats. We have speeches coming up and once again we have to seek permission because they are in English only. Just for the sake of clarification, and to point it out to our guests, we have to distribute in both languages unless we get unanimous consent to proceed with just one language.

Do I have unanimous consent to distribute the comments from our witnesses?

Some hon. members: Agreed.

The Chair: We're good to go. Let's get started. We're running a bit behind.

This is panel number two. With us we have Mr. Derek Butler, from the Association of Seafood Producers.

Mr. Butler, it's good to see you again.

We have Alberto Wareham, president and chief executive officer, who is from Icewater Seafoods Incorporated.

We have someone else who is no stranger to the committee: Mr. Keith Sullivan, president of the Fish, Food and Allied Workers, the FFAW.

You have 10 minutes each. If you're under 10 minutes, that would be appreciated as well, as we like to get to questions and comments.

Mr. Butler, I'm going to ask you to start, please. You have 10 minutes.

● (1040)

Mr. Derek Butler (Executive Director, Association of Seafood Producers): Thank you very much. I've timed it for just under nine, so hopefully I'll get there.

On behalf of the Association of Seafood Producers, I am pleased to appear before this committee, and I thank you for the invitation.

I'll give you a quick overview of the ASP, our role and work and who we represent, and then provide some brief remarks on our perspectives on northern cod going forward.

ASP is an industry association. It represents the majority of seafood producers in the province by volume and value. Our members include small, medium-sized, and large companies. Most are family owned and several are harvester owned. They are all invested uniquely in rural Newfoundland and Labrador; there are not too many fish plants here on the waterfront in the city. A few have access to their own quotas for some species, but most buy from the independent inshore fleet represented by my colleague, Mr. Keith Sullivan.

ASP's members produce a wide range of species available to the commercial fishery. Our members produce the majority of snow crab and inshore shrimp, at close to 80% or 90% of both, which represent most of the value in the fishery in the province. They also produce a vast majority of pelagic species available to us, such as capelin, herring, and mackerel. We do a fair bit of the groundfish, including cod.

All of what we produce, or most of it, is exported. Our markets are the world over, including North America, Europe, Africa, and, increasingly, Asia, year after year. As an association, we engage in the usual range of activities appropriate to a trade association, including public policy, government, media relations, and services to members. Those services include serving as the client of the first Marine Stewardship Council eco-certification in Canada, for northern shrimp. It was the largest such certified shrimp district in the world at the time, and the first on the eastern seaboard of North America.

As you will know, the MSC is a third party audited standard for fishery sustainability to assure the world—our markets—that our products come from sustainable fisheries in terms of what we harvest in terms of habitat and ecosystems and the management regime. We're now the client for four different certifications covering shrimp in the Gulf of St. Lawrence, Nova Scotia, and in Newfoundland and Labrador, and for snow crab in the province. Our members hold other certificates as well.

As somewhat of an anomaly in the industry, we also negotiate fish prices for 67 species per year, as our industry is subject to collective bargaining legislation. That takes up a fair bit of our work.

I have worked for ASP as executive director since 2004, and I have served as chair of the board since 2006. I've also served on the FRCC, the Fisheries Resource Conservation Council, and on a number of other fisheries or other related advisory bodies.

The reason why you're here, and the reason why we're here, is cod. Cod, to state the obvious, is important. As I often say, it's part of the cultural, social, political, and economic history of this province. We were but an island in the sea and essentially a platform for the seasonal prosecution of the fishery by Europeans. We were later a place of habitation, a colony, and then a country, and now are a province of Canada. Cod, to use a French expression, is our raison d'être. It was the stock market of Europe and the livelihood of our people. It's sad, but we all know the story with the word “moratorium”. Just to say it, says it all.

In recent years, the work of DFO and the Centre for Fisheries Ecosystem Research, CFER, at the marine institute, suggests an increase in biomass for northern cod, and yet—and this is my take-away point—it must be underscored that the fishery is not yet rebuilt. ASP is of the view that a general strategy of restraint is required in our approach to northern cod.

As we wrote to the Minister of Fisheries and Oceans last year, “a general strategy of restraint grounds any and all increases in science, avoids past mistakes, accelerates stock recovery, and protects the substantial investments that will be required for modernization and for market development”. That restraint includes adherence to the PA framework, the precautionary approach framework to which DFO is itself committed. DFO has said that its precautionary approach framework will guide decisions. The Association of Seafood Producers supports that adherence.

In that regard, it should be noted that stock-building has yet to occur. The biomass remains in the critical zone at just over one-third of Blim. In DFO's PA framework, this means removals must be kept to a minimum. In “Northern cod comeback”, published in the *Canadian Journal of Fisheries and Aquatic Sciences* last year, authors Rose and Rowe suggest that with frugal stock management and low fishing mortality, “this stock could rebuild, perhaps within less than a decade”.

● (1045)

Again, to underscore the point, the stock is not yet rebuilt.

ASP is also on record as supporting the position contained in the DFO's Canadian science advisory secretariat's science response from last year, which reads in part that “removals should be kept low to promote stock growth”.

We have noted before in correspondence to the minister, and in concurrence with the FRCC report on groundfish from 2011 titled “Towards recovered and sustainable groundfish fisheries in Eastern Canada: a report to the Minister of Fisheries and Oceans”, of which I have a copy here, past instances of growth in biomass have been cropped off by premature quota increases.

I was pleased to serve on the FRCC at the time of that report, and I want to reiterate its findings today. Past instances of growth have been cropped off. We want to avoid that, and I think all stakeholders want to avoid it. It remains imperative, therefore, that we follow the science and not get ahead of it. We have to avoid being led by an impressionistic sense of what's out there or by open line radio.

This fishery is being watched with increased scrutiny by our fellow Canadians and the international community, and appropriately so. It's an iconic fishery for collapse, and the world is right to watch what we do. We support erring on the side of caution, not just for the international perspective on northern cod, but because it is appropriate in reality, as per “A Harvest Strategy Compliant with the Precautionary Approach” adopted by DFO. Removals have to be kept to a minimum by necessity, and the low level of removals to date in this stock have been key to the recovery, such as we have seen to date.

Northern cod, it must be acknowledged, is not just an icon or an interesting case study for international observers or for national fisheries management and science. At the end of the day, rebuilding matters to industry participants represented here at this table. Again, the 2011 FRCC report said, “This rebuilding will require sustainable fishing practices, economically viable enterprises and the production of quality, high value products that find acceptance in global markets.”

In an era of increased whitefish supply in international markets, both wild capture and aquaculture, northern cod will be of most value when it supports a modern industry that is economically sustainable with premium quality fish. We're not there yet either. There is some concern, well placed, that we cannot “get there from here” in terms of the structure.

We also acknowledge and support the minister's commitment to ensuring the implementation of a “licence and tags regime for all recreational fish participants...expected to be introduced prior to the 2017 season”. That is an important point.

In closing, let me say that we invite, as always, DFO's continuing collaboration with the industry. We acknowledge DFO's support for our northern cod fisheries improvement project, FIP, which ASP is developing in conjunction with the Groundfish Enterprise Allocation Council, or GEAC. That project, like all FIPs, is designed to help prepare northern cod for eventual MSC certification.

MSC, I'd like to remind people, is the democracy of the marketplace, making third party attestations as to the sustainability of seafood products in the marketplace. It is telling to recall that MSC was developed on the back of the groundfish moratorium here in the early 1990s.

The world is watching. Whatever we do with groundfish, and cod in particular, we must do it right if it is to sustain us many years hence. We can be sure now, as we face the prospects of ecosystem change, that the decrease of more valuable shellfish and the resurgence of lesser value per unit groundfish will bring untold pressures to bear on industry participants and the managers. We face some difficult years of transition ahead.

Again, thank you for your time. I'm available for any questions you might have.

Thank you.

The Chair: Thank you, Mr. Butler.

True to your word, you were around nine minutes.

Mr. Wareham, please, for 10 minutes or less.

Mr. Alberto Wareham (President and Chief Executive Officer, Icewater Seafoods Inc.): Thank you, Chair.

Thank you to the committee for this opportunity this morning.

Icewater Seafoods is a family-owned business with an extensive history in the Newfoundland cod fishery. It started seven generations ago when my ancestors came to Newfoundland from Dorset, England. Icewater was formed in 2004 by my father, Bruce Wareham, from the former Newfoundland operations of High Liner Foods.

Today, Icewater is a vertically integrated groundfish company with the second-largest holdings of greater-than-100-foot enterprise allocations for various groundfish stocks across Atlantic Canada. Access to these resources allows Icewater to plan and sustain operations at our plant in Arnold's Cove. Our state-of-the-art plant is solely focused on the production of North Atlantic cod.

With a team of 210 cod experts, we have successfully built strong niche markets for premium quality individually quick-frozen cod portions, which are sold primarily in Europe. Even after the moratorium on northern cod was announced in 1992, our plant operations remained focused solely on cod. This, coupled with the help and support of our community, has made Icewater the largest buyer and the larger producer of cod in Newfoundland since the moratorium.

Prior to 1992, North Atlantic cod was king of the world's whitefish production, which Newfoundland has benefited from since the early Europeans began drying and salting fish along our shores in 1497. However, world production and consumption of whitefish have evolved significantly since the moratorium. Although North Atlantic cod continues to be the preferred whitefish for discerning consumers, it has lost its dominance of world whitefish production, primarily to Alaskan and Russian pollock. In 2016, the 1.4 million tonnes of North Atlantic cod that will be captured represents only 18% of the eight million tonnes of whitefish that will be harvested globally.

The disposition of world markets for North Atlantic cod has also changed significantly since the moratorium. From the late 1950s, when freezing technology was introduced, through to the moratorium, the majority of Newfoundland cod was produced in cod blocks and sold in North America. This market no longer exists. Today, North America represents approximately 5% of the world market for North Atlantic cod. The primary market for premium quality North Atlantic cod in fresh and frozen form is the United Kingdom and western Europe. Icewater sells 90% of its production in the European market and competes with the top producers from Iceland and Norway, where sustainability has been a focus for many years.

Actually, it was the announcement of the moratorium in 1992 that was the genesis of the Marine Stewardship Council, which has become the largest certifier of sustainable seafood in the world. To be blunt, world markets do not need or defer to the mere 4,000 tonnes of northern cod captured in 2015. However, for Icewater, this raw material complemented our existing supply and allowed us to further develop our market presence in high-end European markets.

This is not to say that there is no future for northern cod. In fact, it is quite the opposite. Provided we do this right—that is, we focus on quality and allow the stock to build—northern cod could indeed be the future of the Newfoundland fishing industry. It is with this in mind that I remind you of the following.

The latest Department of Fisheries and Oceans stock assessment for northern cod, which was released in May 2016, shows that the stock is only at 34% of the lower limit reference point, the point below which the stock is at risk of serious, long-term impairment of productivity. Under DFO's precautionary framework, removal should be kept to the lowest level possible, and the very concept of a commercial fishery is inconsistent with the reality.

There is no doubt that the stock has experienced significant growth in the last five years. It is also indisputable that much of this growth has been derived by a limited number of relatively strong year classes that have appeared as an anomaly and have not been experienced since.

Unless these year classes are allowed to grow and develop into spawning stock and contribute to future recruitment, we could easily revert to the same cycle of collapse as in our recent past. We must, as required by the department's own policy, keep removals at an absolute minimum. If catches are allowed to increase too soon, we will crop off the growth and will for the third time in 25 years lose the opportunity to realize the full potential of the northern cod stocks.

In fisheries, we often base our removals on an assessment of how the fish we catch today may impact our population next year, the year after, and even out 10 years. With northern cod, DFO has adopted a model that is unable to see beyond three years because of stochastic error associated with the model formulation. This limitation forces management decisions to be undertaken without an assessment of what the impacts may be over the medium and long-term horizon. This is clearly problematic, especially when we are only at 34% of the lower limit reference point.

To return to a previous point, prior to the moratorium, the Newfoundland processing industry was production-driven; that is, it produced primarily cod blocks and salted products, which did not require premium-quality raw material.

● (1050)

However, to compete in today's market for premium-quality cod, we must start with sustainably sourced, premium-quality raw material. In this new market, the Newfoundland processing industry must be market driven; that is, we must produce products demanded by the market and must focus on the products that yield the highest value for all steps in the value chain. A premium-quality raw material can only come from a balanced offshore—fall-winter—and inshore—spring-early summer—fishery. We must remember that the northern cod stock is migratory; that is, it spawns in the early spring in the offshore area and migrates to the inshore to feed during the summer months, returning to the offshore areas in the fall.

We understand that various fisheries ministers and department officials have commented that priority access will be granted to inshore for up to the first 115,000 tonnes of northern cod as the fishery recovers.

Priority, however, does not mean exclusivity. From a historical perspective, the greater-than-100-foot fishery is one of the key components to keeping plants operating year-round in Newfoundland. In a recent history of northern cod fishery prepared by a former RDG of the Newfoundland region, it was highlighted that from 1977 to 1992 the greater-than-100-foot sector landed approximately 40% of the total Canadian northern cod landings.

The minister's recent comment that his government would honour any prior commitments to the inshore regarding access as the fishery recovers has been interpreted by some to mean exclusive access. Without an offshore component to the fishery, we cannot maximize the value from our northern cod fishery as it recovers.

One lesson learned from the moratorium is that fisheries managers need the best science available to them when making multi-year management decisions. The northern cod stock covers a very large area, with more than one genetically distinct stock. Although it has been well studied, there are some key deficiencies that exist with our understanding of where it resides, how and when it moves, and its vulnerability to the fishery.

For this reason, and to ensure we are able to fish the stock sustainably and gain MSC certification in the future, the Groundfish Enterprise Allocation Council and the Association of Seafood Producers began a fisheries improvement project for northern cod in 2015. The five-year work plan has a budget of $11.7 million and will result in our having the best understanding of the stock that modern science permits. To date, the fisheries improvement project has funded the development of assessment and simulation models, genetic identification of stock components, and work towards the development of a large-scale acoustic tracking array.

In fact, a recent announcement by this government on the Ocean Frontier Institute included a partnership with our fisheries improvement project that will significantly further our efforts to achieve sustainable management of the stock. For this, I and our partners thank you.

The work on our fisheries improvement project has highlighted one key risk: if the productivity of the stock remains low, the population is likely to decline again. Any fishing will increase that risk. In a more positive vein, the stock may indeed continue to grow if capelin production improves and we truly keep levels to a minimum. If this is the case, we could achieve the limit reference point within five to ten years. At that point, the stock will be ready to support a commercial fishery that is sustainably certified and can compete in the world markets.

Thank you for your consideration and time.

● (1055)

The Chair: Thank you, Mr. Wareham.

Mr. Sullivan, please, for 10 minutes or less.

Mr. Keith Sullivan (President, Fish, Food and Allied Workers): Thank you.

It's certainly a challenge to talk about the northern cod fishery in 10 minutes, so I'll get going.

Welcome. Good morning to members of the committee. I'm Keith Sullivan, president of the Fish, Food and Allied Workers Union, an affiliate with Unifor. The FFAW is the largest private sector union in the province, representing over 12,000 members, the vast majority in fish harvesting and fish processing.

It's understood that the cod fishery has a deep connection with our province. I'm going to talk about the value of the cod fishery to our members and our communities.

The FFAW union movement started in 1970 when the cod price was 2.5¢ per pound. Back then, we didn't refer to it as “cod”, but simply fish. Cod was our fishery and our identity. The northern cod moratorium in 1992 put tens of thousands of FFAW members, including my family, out of work and dependent on government subsidy programs. The calamity of the cod moratorium forever changed the relationship between fish harvesters and fisheries. The change applied to all aspects of the fishery, from science to marketing to management.

In the wake of the moratorium, it was critical for fish harvesters and the FFAW to establish a larger role in fishery science. To that end, over the past 25 years, the FFAW has developed a full fisheries science program on a variety of species. The union also has a full-time fisheries scientist on staff, so that when DFO discusses matters of science we are in a room with a vast array of knowledge and a voice.

With respect to cod, our two most important science programs are the cod sentinel and cod tagging programs. Sentinel started after the moratorium as a response to a deep disconnect between what harvesters were saying on the water and the results of the stock assessments conducted by DFO in the years prior to the moratorium and that were being given to us. Before the moratorium, information from the inshore harvester was not systematically collected and used to inform management of the stock. Up to the moratorium, information on abundance was collected from the catch of offshore vessels that fished when cod were aggregated and vulnerable. There was limited information from the inshore fisheries on cod.

The cod sentinel program was designed to systematically collect information from the inshore to use for use in stock assessment and management. We now have information on catch rates and much more biological information.

The information that the FFAW collects from its tagging program is crucial. It provides a direct estimate on fishing mortality, and it allows us to estimate the amount of cod removed during a season. It even accounts for removals of recreational catch. Our tagging program is conducted in partnership with DFO and involves attaching spaghetti tags to northern cod in inshore waters. Just this week, we have technicians on the northern peninsula and southern Labrador.

What are our science programs telling us? In sentinel, catch rates have increased substantially over the past five to 10 years. The increase started in division 3K, where experimental nets that once caught four fish are now catching 15. In division 2J, the increase was slower in developing, but over time the catches from experimental nets have gone from one to two to 30 fish per net. What this means is that catch rates are much higher than they were at the beginning of the moratorium, particularly in 2J.

With respect to mortality, the level for this stock is very low at the moment. Fishing mortality refers to the mortality of the species from fishing over the year. For the past three years, fishing mortality of northern cod stock was about 2%. In historical terms, in the 1980s, fishing mortality was around 20%. We're currently at one-tenth of that rate and, more importantly, biomass is expected to grow considerably over the next three years, which is the projection we have from our latest stock assessment.

What all of this points to is the long awaited return of northern cod stock and the corresponding environmental shift. Harvesters and processors have primarily focused on shellfish for the past 20 years. Now the focus is switching to groundfish, and not just cod, but turbot, redfish, and others. Though we're encouraged by the return of cod, we have not lost sight of the importance of conservation.

● (1100)

There is no harvester in this province who wants to relive the challenges of the cod moratorium. The new cod fishery is going to be managed correctly. To that end, we have the WWF, processing companies, and FFAW members attending meetings on a fisheries improvement project for northern cod. It's a very important partnership, with the goal of meeting sustainability standards for the new cod fisheries, which means things like the marine stewardship certification.

The shift back to groundfish is exciting and challenging. The cod fishery is certainly different from shellfish, and all in the province are aware of this. With shrimp and snow crab, we are major suppliers to the market. For cod, we're certainly a relatively small fraction of the overall supply.

In many discussions and debates on how to approach northern cod as it returns, the one point that came back is that we would approach the cod fishery in a much different way than before. Prior to the moratorium, we were a quantity-based fishery serving the fish-stick market. As we rebuild our cod fishery, our focus is on quality, a deliberate and necessary shift for the harvesters of our province.

With quality in mind, the FFAW is part of the Newfoundland and Labrador Groundfish Industry Development Council. We have developed a ocean-to-plate approach. We're looking first at what the market needs and where the most value can be achieved, and then we're building our cod fishery to meet those needs. For example, we know there is a demand for high-quality, fresh, and once-frozen cod for white tablecloth restaurants and high-end consumers. These markets exist in a variety of places. Icewater Seafoods mentioned their markets in Europe, for example. Iceland has increased the value of its own fishery by providing fresh cod to the eastern United States. With our current connections to Europe and our proximity to the U.S., we have much potential in the cod market.

While it's important to tie our new cod fishery to market needs, we also need to build a fishery that works for our harvesters and plant workers in the future. Harvesters need to be able to land high-quality cod, and they need to be compensated accordingly for the value they're bringing into this industry.

The first thing that needs to be done—and it is within the power of the federal government to do so—is to protect the owner-operator principle. The attack on the owner-operator principle in the last 20 years, primarily but not exclusively by processing companies, has been terrible for the economics of the fishery in our coastal regions. Of particular concern is the impact of trust agreements, that method of undermining the owner-operator and fleet separation policies and its impact on the cost of fishing licences, which has made it extremely difficult for the next generation of harvesters to enter the fishery.

Processing companies with large resources have circumvented owner-operator and fleet separation policies and have bid up the price of crab and shrimp licences to the point where only well-established harvesters—or in most cases, processors—can afford to pay. Harvesters who are in trust agreements often receive less money for their catches. Fortunately, the impact of trust agreements on the cod fishery today is a little smaller. It is not the same as those other fisheries. However, this could change, particularly as the value of the cod fishery increases. Therefore, the owner-operator policies must be protected.

The focus on quality also requires an understanding of what quality cod is and how a quality cod can be landed. As I mentioned earlier, the pre-moratorium fishery was focused on quantity. Harvesters haven't landed northern cod in a meaningful way in 25 years, so we still have some work to do.

We've spent a significant amount of time, at all levels of the industry, on fully understanding what constitutes a quality fish. For the past two years, we've been engaged in a cod quality project, in partnership with ACOA and the provincial government. Teams of harvesters monitor a whole host of variables, from the temperature of the fish, to how it's handled when removed from the net or hook. When this process is finished, we should have a comprehensive guide for achieving top-quality cod, and we'll be able to disseminate this information to all in the industry, including harvesters.

● (1105)

Harvesters also need to be properly compensated for providing quality fish. On this point, we have made important steps. For the past three seasons, we've had a quality-grade price system, where grade A cod receives a higher price than grade B cod and so on. This certainly has its challenges, but harvesters recognize the need to be paid for the quality, and this will be key to increasing value.

The new cod fishery is going to require significant investment, from both a harvester and a processor perspective. For that investment to pay off, the harvester price needs to be good, and the fishery needs to be managed and structured properly. One management change that began this year is having a longer season to allow harvesters to catch more cod so that we can supply a steady stream to the market. The best cod, the cod that provides the best price to harvesters and processors, is one that is landed quickly and shipped to market. We need to move away from a condensed fishing season and to spread out landings and avoid gluts in the processing sector.

In years past, harvesters were limited to 5,000 pounds, which they landed in a week or two. This year, there are limits for weekly landings, but the season is stretched out considerably and over several months. We have many harvesters who have landed 15,000 to 20,000 pounds of cod this year. I've spoken with one experienced harvester who has caught 36,000 pounds of cod using just hook-and-line, just he and his daughter in a boat each day. Landing 36,000 pounds of quality cod is a positive change, albeit a first step for the economics of our cod fishery.

There have also been positive steps taken by the federal government to encourage investment in the inshore cod fishery. Last year, during the federal election campaign, Prime Minister Trudeau committed to allocate the first 115,000 metric tons of northern cod to the inshore fleet. This allocation existed before the moratorium, and inshore harvesters were given every expectation that it would once again exist, once a normal commercial cod fishery restarted.

In late July of this year, Minister LeBlanc confirmed to me and the senior executive of the FFAW that this commitment stands. The first 115,000 metric tons of northern cod will be granted to the inshore sector. This is an extremely important commitment. We are building a cod fishery from a very small base at the moment. If we are going to change how we catch, transport, process, and market large amounts of cod, those engaged in that sector need to know that there is a consistent allocation of fish, so they can invest with some security.

The commitment to 115,000 metric tons is the best security the industry and our country can receive. It will give us time to rebuild at a reasonable pace, to build markets, to build expertise in catching and processing quality cod, and to figure out how best to fish and manage the new northern cod fishery.

For the harvesters of Newfoundland and Labrador, the cod fishery is not about revisiting the past; it is about charting a new future. Our hope is that, 30 years from now, the idea of a cod fishery won't bring to mind images of 1992 and the dreaded moratorium. Rather, we hope it brings to mind images of 2016, images of a man and his daughter catching 36,000 pounds off a hook-and-line, and how we've just started, as I will remind you, the process of turning a sustainable cod fishery into a pillar of prosperity for coastal communities from Newfoundland and Labrador.

Thank you.

● (1110)

The Chair: Thank you. I was a couple of minutes generous there, but you might want to thank the other two gentlemen for coming up short. You took it from them.

I have a reminder before we get into questions and answers. This is a pretty big room with a high ceiling, and as we say here in Newfoundland, if you're not handy to the mike, it ain't gonna happen. Please keep that in mind.

We are going to start questioning with the government side.

Mr. McDonald, please, for seven minutes.

Mr. Ken McDonald: Thank you, Mr. Chair.

I welcome the three gentlemen who are here today and thank them for taking the time to appear before the committee.

My first question is for the FFAW president, Mr. Keith Sullivan.

Keith, in your talk you referred to the importance of the cod, the coming back to the cod, and the fact that the first 115,000 tonnes would be allocated to the inshore, but what about when that point comes and beyond that, when that stock finally gets to the biomass where we can open the commercial fishery?

I guess I have two questions for you. As a person who represents not just the fishers but processors throughout Newfoundland in a lot of small rural communities, when the cod fishery returns, at what level do you think the biomass should be to return to that full-fledged commercial fishery? What significance do you think it will have for rural Newfoundland when we get to that point?

Mr. Keith Sullivan: Thanks for that question. That one has been debated for many years.

We're happy that the science is picking up the growth of the stock. In the next three years, what we see from the science is an expected doubling. It's really matching up with what harvesters are seeing. The growth is happening at a significant pace, and the fish mortality is very low. We're happy to see that year-after-year increase. I think the main thing, particularly for this stock, is that we have a sustainable fishery, and because all eyes will be on it, that will be important to market it.

You have to keep in mind the amount of fish that there actually is. We're talking about 260 million pounds of fish, which is a considerable amount to market. That can represent $500 million to the economy of our province. That's why I speak of that going to owner-operators, staying within our coastal communities.

We have an advantage in the province in being able to supply fresh fish, first of all to important markets in the eastern United States, and it's a very good once-frozen product that certainly is superior to much of the twice-frozen product that remains in the rest of the world. I think it is really important that we build those markets and our capacity as we go along, because from the small fishery we have now—the few thousand tonnes—to get up to 115,000 tonnes, the fishery, our infrastructure, and our markets are going to have to grow at the same time. We need a considerable amount of focus, and this year was only a very small first step focusing on having a longer supply.

I think we have much potential. We'll have to do a lot of working together to realize the value of that hundreds of millions of dollars in potential for everyone in the province.

● (1115)

Mr. Ken McDonald: Thank you.

The next question is for both Mr. Butler and Mr. Wareham.

What type of investment is needed in the processing sector to make sure we're ready for the fishery and ready to provide the product that will dictate the demand we're going to have on our fishery in the future?

Mr. Alberto Wareham: Thank you for your question.

We're fortunate in the sense that we have the only state-of-the-art plant in Newfoundland today, so we have the investment. Obviously, we're continuing to invest, but if you were starting from scratch, you would need $25 million or $30 million for one plant, and you probably need five to six plants.

We can't go back to the fishery of the past, when we had a fish plant in every community. I'm not saying there's no place for small fish plants, but if we're going to compete with the best in Iceland and Norway in the world market, five to six plants at $25 million to $30 million each would probably be okay.

Mr. Derek Butler: I would echo that in terms of the numbers. We don't need the number of plants we used to have. We've had a significant reduction from 200-plus in the groundfish days. As we've gone through shellfish, we're down now to somewhere around 60 to 70 plants in the province. I've always joked that we need one per electoral district, and we'd be happy with that, with 40-odd—I guess it would be 30-odd now—at the provincial level.

We need tens of millions of dollars, and here's the trick. As the biomass goes up, if we trickle up in terms of supply or landings it won't support the investment. You need to have a significant quantity of fish available to you to support the investment. My members are principally in shellfish right now. If we're going to transition to groundfish, we need a lot of capital, and we need the fish to sustain it. That's going to be the challenge: finding the balance between increasing fishing now and getting a sufficient amount to justify the investment.

Mr. Ken McDonald: Thank you.

Mr. Wareham, what are the markets going to demand in terms of a finished product? What type of quality? What kind of price range are we looking at achieving by doing that?

Mr. Alberto Wareham: I should probably answer those in the order you asked them.

I'm in Iceland once or twice a year and looking at technology on a yearly basis to make sure we have the best. You have to understand that Marks and Spencer is one of our largest customers in the U.K. When the Marks and Spencer people come to our facility, they have just left the facility in Iceland or the facility in Norway. They have to see the same style if they're going to take any comfort. There are only four processing plants in the world that are approved to supply Marks and Spencer with cod, and we're one of those, so we need to have the best.

When I'm in Iceland, I see fish being landed. Mr. Sullivan referred to the grading system that we have in Newfoundland. We've been working with them on that for the last three years. Ninety-five per cent of the fish landed in Iceland is grade A. We're not there yet in Newfoundland. We have a long way to go. We have seen improvements this year. Basically, you almost need the perfect fish if you're going to compete in those markets, both fresh and frozen. We haven't competed in the fresh market because we have not up till now had a constant supply of a superior quality of cod that allows us to be in the market 12 months of the year. That's why our focus is on the frozen production.

Mr. Ken McDonald: Thank you.

I have time for one more question, Mr. Wareham. As a person who has a successful operation right now when it comes to cod—I think you said something about just over 200 cod specialists—are you concerned about having a high-level skilled workforce when the fishery returns in a major way? What are we going to do to make sure we have that workforce?

Mr. Alberto Wareham: First of all, if you had the opportunity to come to our facility, you would see that it's not like a typical fish plant that people have in their minds. It's like an operating room. We have people with an average of 21 years' service in our facility and an average age of 50 years. That's amazing in any industry. In the seafood industry, it's off the charts.

We have that because we've stayed focused on what we're good at, which is cod. We give our people full weeks of employment. We bring in frozen raw materials to supplement what we can get locally, so they're getting 25 to 30 full weeks of employment. If you can give people full weeks and pay them good wages, I think you'll attract people.

The other thing is automation. We're investing as much as we can to make sure we have the best in the world, but we still need 210 people to operate the plant—

● (1120)

The Chair: Thank you, Mr. Wareham. I'm sorry, but I have to cut it off there.

Mr. Doherty, please, for seven minutes.

Mr. Todd Doherty: Thank you, Mr. Chair.

Gentlemen, I thank you for appearing before us today.

I have a few questions.

This is for the panel. First off, we had DFO testify before us last week regarding the numbers from their studies, which are a third of what they would like to see. However, we've also heard testimony where there was some skepticism about those numbers, testimony that the numbers are actually greater than that. Are you satisfied with DFO's numbers? Or do you believe they're higher than what DFO is reporting?

Mr. Keith Sullivan: I can start it off. I think we need continued investment in science. The recent investment in having more science staff hired by DFO is a good start. That said, we do a relatively good job on cod.

Mr. Todd Doherty: Sorry, but do you think—

Mr. Keith Sullivan: I was just working up to the numbers and what I want to say. I'll go quickly.

The observations of the inshore harvesters are that they see generally more cod throughout the region than they did in the 1980s. The concern is whether the 1980s estimates were higher than they really were and whether we are underestimating now. Those are some concerns. That observation is certainly widely held. To summarize the point, we have to continue to make sure that we have the best science available.

Mr. Todd Doherty: Mr. Butler.

Mr. Derek Butler: I would concur with Keith. We always appreciate the science—more science and good science. I made the point, and I was explicit in making it in my remarks, that we need to avoid an impressionistic sense of what's out there. Open-line radio can't rebuild cod.

The old joke around where I'm from, Clarenville, is that the only place you can't catch cod is out in the woods, but I say we default to the science, in light of the precautionary approach, until we have greater certainty.

Mr. Todd Doherty: I can appreciate that.

Mr. Butler, you mentioned that restraint—continued restraint—is needed. Do you support DFO's decision to extend Newfoundland and Labrador's recreational fishing by 14 days this year?

Mr. Derek Butler: It's a very political question in Newfoundland and Labrador. We understand, as an industry, that there will be a role for the recreational fishery.

Let me leave it at this. We would think that removals have to be tracked. We support the tagging initiative of the minister. I don't think that expanding the recreational fishery right now is the best approach in light of our concerns around the stock, in light of where it is in terms of the critical zone. That may be saying more than I wanted. We probably would have defaulted to past practice and understanding the necessity of that or the politics around it, but not the increase.

Mr. Todd Doherty: I'll keep it as "restraint is needed".

Mr. Derek Butler: Absolutely.

Mr. Todd Doherty: I would agree with that.

Mr. Wareham, that was a great presentation. I would love to be able to see your plant.

As a committee, we have a question. Our moratorium has been on since 1992. Norway's cod stock was replenished in three years, whereas we're still sitting 25 years out. What are they doing differently from what we did?

Mr. Alberto Wareham: You're talking from a stock perspective?

Mr. Todd Doherty: Right.

Mr. Alberto Wareham: There are a couple of different things to point out. They have high productivity in their stocks, whereas we do not. I think that's why the scientists want to see approximately 980,000 metric tons of spawning stock biomass. Our cod matures more slowly. In Iceland, fish are recruiting into the fishery two to three years during the spawning stock, and ours is five to six years. It's as much about the biology of the fish than it is anything.

● (1125)

Mr. Todd Doherty: DFO testified last week that they're seeing a change in the tendencies of the fish, that because of the low stocks we're seeing them mature faster. Would you agree with that?

Mr. Alberto Wareham: In Newfoundland, we are not seeing that yet. We've been producing the stewardship fishery cod that's been landed since 2006, and we're not seeing a substantial change yet.

Mr. Todd Doherty: I really appreciate the ocean-to-plate practice. I come from British Columbia. There's a large farming area in my region, and we have similar sustainable farming practices for "pasture to plate". If you saw me on the phone, I was Googling the right term. It is something that I can appreciate.

You mentioned something about the quality of fish in saying that we're not quite there in terms of the quality of fish. Is that because of the quality of fish or the quality of harvesting?

Mr. Alberto Wareham: I'm going to answer in two ways.

As I've said, one of the biggest challenges we have in Newfoundland is 500 years of history: "that is just fish and it's good enough". That was good enough up until 1992, but it's not good enough anymore. We work with some of the FFAW harvesters. They've been harvesting fish for 30 years. They learned from their fathers and their grandfathers, etc. They don't know how to handle it as well as they think they do.

Mr. Todd Doherty: That's exactly what I wanted to get to for my next question. It would appear to me that change is inevitable and that we have to change the way we do things as we move forward. There is a large component in terms of education and educating our long-standing fishing families on a more sustainable way of doing things.

My question is for the panel. How are we seeing buy-in with the recreational fishers and also with the long-standing fishing families in educating them in the new ways and better ways of doing things?

Mr. Alberto Wareham: I think we can say that money has a way of solving problems or encouraging change. That was one of the reasons Icewater and the FFAW worked on the quality grading system. By paying a substantial premium for grade A and a very low price for grade C, we're trying to force them—

Mr. Todd Doherty: It's incentive based.

Mr. Alberto Wareham: Yes.

Mr. Todd Doherty: That's perfect. Thank you.

The Chair: Thank you, Mr. Doherty.

Mr. Johns, please, for seven minutes.

Mr. Gord Johns: I also want to thank you for being here. It's great for you to share your invaluable insight. I'm from coastal British Columbia, from Vancouver Island. We're seeing a huge decline in our salmon stocks, as you know. We hope we don't go the way of the cod in 1992. We can learn and share a lot, and I appreciate what you're teaching us today.

Mr. Sullivan, you talked about the owner-operator principle. In British Columbia, with our salmon, I'll give you a comparison. One operator owns 39% of the quota of our salmon stocks.

Can you talk a bit about the owner-operator, the adjacency, and the importance of that?

Mr. Keith Sullivan: In Newfoundland and Labrador, the biggest part of the economy in coastal regions outside the northeast Avalon, where we are now, would be the fishery. It has been for a number of years. It's the reason why people settled all these communities.

What we've seen in recent years has been more of a shift to things like we've seen in B.C., with companies going around the policies for trust agreements, and with companies with deeper pockets, not necessarily located in those areas, being able to outbid and out-compete local harvesters, such as someone who is on the deck of the boat. That's been a hindrance to the next generation of people for getting into the industry at a fair value.

We've done a substantial amount of work. It's a popular policy. People recognize the value of it, but there have been loopholes that have been exploited, and we're working hard to close those. For the future prosperity of our coastal communities, that's something that is going to have to be stopped soon, because we're losing a future generation. If we have people that could possibly be international companies and whatnot looking and trying to secure a supply of food products.... I'll stop there just to recognize that we have a short amount of time, but it is vitally important for our future.

Mr. Gord Johns: One of the earlier witnesses talked about harvesting being managed right now by the federal government, as we know, and processing by the provincial government. He said that it's impossible for us to continue down this path without integrating some sort of process.

Mr. Butler, and maybe Mr. Wareham, do you want to talk about how we can improve, in terms of more of an integrated model, to be more efficient?

● (1130)

Mr. Derek Butler: I don't have particular thoughts other than to say that I would support that.

I think there's a challenge. Section 7 of the federal Fisheries Act gives absolute discretion to the federal Minister of Fisheries and Oceans. We'd like to see a change to that in respect of moving the fishery forward. In the 21st century, we don't think any one person should have absolute discretion. It's the most powerful minister in respect of their cabinet colleagues at the table, in respect of their domain of competency or interest in the fishery. The challenge has to be all the pressure that puts on the minister. In respect of managing the fishery, the minister can't give up that authority, I don't think, without a change in the act. I think this has to be addressed before there's any talk of sharing management between the two levels, the federal and the provincial.

The other aspect of this, which is very complicated, is all the provincial aspects. We share fisheries in the Gulf, for example. Then there's the NAFO angle. There are international fisheries that compete with or overlap provincial fisheries. In area 7, for example, under shrimp, NAFO quotas were set there. They were not set by Canadians but managed by Canadians. The third wrinkle—this is just to speak to how complex this is—involves our first nations and the federal authorities around first nations as a result of I think the Donald Marshall decision.

That makes it all very complex. I think everybody would laud the principle of a requirement for more shared stewardship between the two levels of government, but it's very complex.

Mr. Alberto Wareham: I would add one comment to that. Whoever is going to manage it, it has to be science-based. We have to get the politics out of it. It has to be science based. That's the only way we have a future in the fishery.

Thank you.

Mr. Gord Johns: This leads me to the next question, Mr. Wareham. You talked about a three-year cycle in terms of management. What would you like to see? Maybe you could elaborate a little more on that.

Mr. Alberto Wareham: Well, I guess “go slow” is the main thing. If there have to be increases, keep them very small. Our plant is operating today at 40% to 50% of its capacity. I should be the greedy person at the table saying that I want my plant full, but I'm the seventh generation, and if I'm going to have an eighth, a ninth, and a tenth generation of our family in the business, I want it done right. I'm prepared to go slow for the long term.

The Chair: Thank you, Mr. Johns.

We'll go over to Mr. Finnigan, please, for seven minutes

Mr. Pat Finnigan: Thank you, Mr. Chair.

Thank you to the panel for appearing on the processing side of this.

My first question would be for Mr. Sullivan. If we ever return to sustainable numbers to harvest, do you believe that we have presently in those fishing communities the labour force, the human resources to do this? Would you say that retooling is a must? Or are we going to have to go to offshore labour to supply it, if we ever do return to a sustainable harvest?

Mr. Keith Sullivan: Supply of labour is certainly a concern in many areas now, but I think that if we build a valuable fishery, something that pays good wages to those involved, we'll be able to attract workers. We have a generation of people who love this industry and are very interested in life in rural Newfoundland and Labrador. For example, Mr. Wareham talked about the average term for people in his plant being over 20 years.

We may have challenges, but I think the main thing we focus on is getting the most value possible from our fish. If we hit the high-end markets and we're able to pay harvesters to stay there, I think there's a very bright future. We might go to other models where we don't get the highest value and may not be able to pay people, but I think we should strive to get the most value and make sure that we make those well-paid jobs. That will certainly help attract a labour force.

Mr. Pat Finnigan: Mr. Butler.

Mr. Derek Butler: Despite the evident youth you see here on the panel—

Voices: Oh, oh!

Mr. Derek Butler: —we have the lowest birth rate in the country, and that's including any U.S. state, and the oldest population in the country. It's a remarkable change from the 1970s. I'm a little less optimistic. I think we have significant challenges in terms of our labour force.

The recent change by the government in respect of the temporary foreign workers was helpful to the processing sector, particularly in the Maritimes, where the challenge is even more acute. I think we have a real challenge. Groundfish is going to be more labour-intensive work than shellfish is. That means you're going to need to bring in workers, which is unlikely to happen, I think, to the extent that it's done in other jurisdictions.

I think we have a real challenge with the aging workforce, given the labour required to do groundfish, because it's labour-intensive as opposed to capital-intensive. Absent some structural changes in the fishery to achieve the year-long fishery that together we've alluded to here, my fear is that, as is the case with Norway and Alaska in the pollock fishery—Alaska is the world's largest whitefish fishery, I believe—the fish will end up in China for additional processing. We need high innovation. That takes a lot of money.

I would add one thing. We've mentioned Iceland. I think Keith mentioned it before me. I would say to the committee that if there were ever a parliamentary trip worth its merit, it would be the panel's visiting Iceland to see how things are done. They have groundfish and they have pelagics. They haven't had the shellfish. They had cold water shrimp, but not the snow crab. They have done things. We don't need to reinvent the wheel. We don't need to do everything they do, either, because we're unique. But we don't need to reinvent the wheel.

● (1135)

Mr. Alberto Wareham: If you recall some of my comments in my opening remarks, if we have five or six plants with, say, 250 people in a plant, with 1,250 or 1,500 people we have enough capacity to produce 250 million to 300 million pounds of cod. A lot of new technology for whitefish is being developed in the world, so with a combination of technology and 1,500 people, I think we're okay.

Mr. Pat Finnigan: I have another question. This time we're talking about gillnets. I'm not sure what the other countries are doing and whether they're still used. Can we remove them and can we remain with smaller boats and compete in the world market?

Mr. Alberto Wareham: The majority of the fish landed in Iceland is not landed with a gillnet. I think I saw the numbers. It's 10% or 20%, whereas in certain parts of Newfoundland it's 80% or 90% gillnets.

With gillnets you can get a quality fish, but you have to obtain it properly and the weather has to be on your side. On average, you will not get as good quality with a gillnet as you will with hook-and-line. Hook-and-line lends itself to small boats and big boats. It can be done in both.

Mr. Pat Finnigan: It can be competitive.

Is the industry and are you satisfied with the relationship between the industry and DFO? What else could be done? You have a good working relationship with DFO. Do you think they're doing enough to have the proper data to evaluate the stock? Do you see anything else that could be done to enhance that relationship and get better numbers?

I'll go to you first, Mr. Sullivan, and you might want to comment on the last one.

Mr. Keith Sullivan: Thank you.

Very quickly on the last one, I think we'll focus on what the market values in the fishery and in catch methods. There are certainly people who would see very good quality from hook-and-line, and some markets may pay less for other fish, particularly those from otter trawls and different gear types such as that. I think it's important that we identify the markets that are willing to pay the most for the best quality and identify whatever catch method that is. There's certainly renewed interest in hook-and-line by all sizes of vessels now.

Moving on to the relationship with DFO—I alluded to this a little earlier—I think it's important that we invest in science. That means looking at the predator-prey relationships and managing from an ecosystem level. We have pieces of the puzzle, certainly, but we could be making decisions with more confidence now.

I think there are some areas where we've seen considerable downloading of science and industry costs to the harvesting sector. It certainly put stress and strain on people to pay for much of that. I think it's good to have harvester involvement. We'll have thousands and thousands of experts involved on the ocean and we can get more information from that, and it should be listened to more. At the same time, we certainly need DFO to invest in good science, and I think we've slipped in recent years and decades.

● (1140)

The Chair: Thank you very much.

Mr. Arnold, please, for five minutes.

Mr. Mel Arnold: Thank you, Mr. Chair.

Thank you, panellists, for being here today.

I don't know if my first question will be appropriate to ask of you three, because you're all from the commercial processing side. I'm wondering if you have any indication of the value per pound of the commercially caught fish versus what I hate to call the “recreational fishery”, because we've had the same issues on the west coast, whether it's a recreational fishery or a food fishery.

Do you have any references to that?

Mr. Alberto Wareham: My understanding of a recreational fishery is that it's for personal use, so the only value is that people consume it in their house. That's the best answer I can give on that one.

Mr. Derek Butler: That's the “alleged” purpose. I put “alleged” in remarks now, but....

Mr. Mel Arnold: The next question is around recruitment.

You mentioned that you have a high retention within your workforce. I believe you said that the average age is around 50.

Is that because of low recruitment of the younger generation into the processing facilities? I guess what I'm referring to is that I've seen it in the dairy farming industry. I grew up on a dairy farm. My two older brothers didn't want anything to do with dairy farming, because before the supply management system came in—quotas—dairy farming was seven days a week of work, 24-7. There was no real security and no return on investment that was assured or guaranteed through the quota system.

Is that part of an issue with the recruitment of younger people, both into the catch part of the fishing industry and the processing? Are there any challenges because of lack of security in the future for younger people?

Mr. Keith Sullivan: I'll touch on a couple of pieces.

To be clear, we represent harvesters in the fishery in Newfoundland and Labrador. This year in the cod fishery, there was a good first step. Obviously, there were challenges, with very low quotas and everything still, but the ability to fish for a longer season is going to provide more opportunities and more security for the harvesting sector. It was a very small step this year, but I think getting people to fish longer is a move in the right direction. That translates into longer and more secure jobs in the processing sector.

In some fisheries, for different reasons, we have relatively short seasons. That doesn't necessarily constitute a good job. A job that only provides employment for 16 or 18 weeks a year does not have the long-term security that people want, and it's obviously going to be hard to recruit for that. I think we have to recognize that as we rebuild the cod fishery.

Mr. Mel Arnold: A fishery based over a period of time and tonnage, rather than having seasonal or time-limited openings, has a better certainty for both the fisherman and the processors.

Mr. Keith Sullivan: Yes.

The other thing we mentioned is that it will be important for markets as well to have a consistent supply throughout the year, especially when we look at maximizing values for fresh product as well.

Mr. Alberto Wareham: From a processing perspective, as I said, if you walk into our plant, it's like an operating room: it's technology and more technology. Generally, the younger people are more comfortable with technology than the older people. As you invest more in technology, it's actually easier to recruit younger people than if you do not.

Mr. Todd Doherty: Is there a program in place for the next generation of fishers, whether it's post-secondary training, or even high school, in starting that next generation? I think where my colleague was going is that the farming industry is not seen as a sexy job to go into. I want to know whether we have that shift here. If the cod stock builds up, are we going to see the next generation fall into it? Is there training available?

● (1145)

Mr. Keith Sullivan: The workforce that we see has considerable experience here as well, but many harvesters have marine tickets and a considerable amount of training. We have a professionalization regime that ensures harvesters have the proper training, credits, and the skills they need, so there are many skilled harvesters, and certainly there is ongoing training. That's not to say that we don't need to do more concerning quality and such things, but there has been some focus on it in the province.

The Chair: I'm sorry, Mr. Doherty, but your five minutes are up.

We have a few minutes left. We have time for one more question.

Mr. Johns, please, for three minutes.

Mr. Gord Johns: We've talked a lot about the importance of investment in science. Again, going back to Mr. Wareham's talking about the three-year cycle, what more can the federal government do to ensure we would have a sustainable and economically viable commercial northern cod fishery if it were to be reopened? Ten years out, if we're thinking in terms of investment, marketing, and infrastructure that could be in place, what other support would you like to see from the federal government to prepare us?

Mr. Alberto Wareham: I would go back to the science piece first. This government has announced $200 million for extra science. The previous government had reduced the budget and had basically put certain things on two- and three-year cycles. One thing I would encourage, given northern cod's recent growth and given its importance, is that this might be moved back to a one- or two-year cycle instead of three-year cycle, so that we are on top of it and see what's happening on a regular basis. If we wait too long....

The industry is not ready. The harvesters need investment and the processors need investment, and we can't go from 10,000 tonnes to 115,000 tonnes overnight. We are not ready. We need to gradually increase so that harvesters have money to invest and processors have money to invest. We can't go from 10,000 tonnes to 115,000 tonnes because today we're not ready.

Mr. Gord Johns: We heard pretty loudly from the previous testimony about the importance of the annual....

Is there anything you want to add, Mr. Butler or Mr. Sullivan?

Mr. Derek Butler: I would echo what Alberto said. The investment in science is important. The movement to the two- and three-year cycles probably made more sense or could be more justified with shellfish in terms of the nature of the species and what we knew about it, with the science that we built up over the years. Given the increasing importance of groundfish with the decline of shellfish, I would echo what Alberto has just said. We probably need to move the time frame back when we do the assessments.

Mr. Keith Sullivan: I would agree. Taking a good look yearly at cod at this point, considering its importance to the people of the province, would make sense. Earlier, I also suggested more investment in ecosystem science as well.

What happened in the last 25 years, with much of this slow building up of the cod stock, is certainly believed to have had to do with the environmental conditions around it. Really, part of what happened in the 1980s and 1990s was something more conducive to shellfish recruitment, and we saw large increases in shrimp and crab and decreases in many groundfish species. Maybe more work on that could have helped us to manage better along the way in terms of looking at predator and prey species.

The other part of that I mentioned before but will mention again is getting more information from harvesters who are on the water day in and day out and have so much knowledge and expertise. I don't think we fully utilize that knowledge. It can be difficult to implement it in stock assessments, but we need to do a better job of it.

The Chair: Thank you, Mr. Johns.

Just for a point of clarification on a question that came up from Mr. Doherty—I'm sorry, but I missed this part—was a question asked in support of a federal-provincial program to provide education about the fishery for younger people? Did I get that wrong or right? Was that mentioned? Is it something you agree with?

Mr. Keith Sullivan: Was the question about a federal program?

Mr. Todd Doherty: Yes, seen from the panel's perspective, is there value in a federal-provincial partnership with regard to education?

The Chair: Very quickly, Mr. Sullivan. Go ahead.

Mr. Keith Sullivan: Absolutely, and I'd be happy to explore what that would look like. We're thinking that for school-aged children, for example, more focus at younger ages is important, because for many years, particularly for people who lived through the moratorium, there was something of an idea that you should stay away from that. There are bad feelings associated with it now, but I believe there is potential, so that's fair.

● (1150)

The Chair: Thank you for that. I appreciate it.

Folks, that concludes this round. We've approached the lunch break. At one o'clock, we will reconvene with our next group of witnesses.

I want to thank the three in front of us from the processing side: Mr. Wareham, Mr. Butler, and, from the FFAW, Mr. Sullivan. Thank you very much, gentlemen, for your contributions.

Mr. Doherty.

Mr. Todd Doherty: Mr. Chair, if it's possible, for speaking points for the remainder of the day, can we put a motion on the table to support the photocopying of any of those that are in English?

The Chair: Whenever comments or a speech is handed in beforehand, you'd like to have it distributed, regardless of whether it's....

Can I have unanimous consent that for the remainder of the panels? If one of the submissions is in one language only, can we do that?

Mr. Todd Doherty: Yes.

The Chair: All in favour please signify.

Some hon. members: Agreed.

The Chair: There are no objections.

Robert, the logistics officer, has been back and forth to the photocopier all day. He will continue to do so. By the end of this day, he'll be the same height as me, I think, but nevertheless....

We'll break for lunch now and will be back here at one o'clock. Thank you very much.

● (1150)

(Pause)

● (1305)

The Chair: Okay, folks, let's start again this afternoon. Once again, we're embarking on a study of northern cod and the relevant facts thereon.

We have our next group of witnesses. This will be the third part of the day.

Just as a reminder to everyone watching from the gallery, we are here today, we are in Port De Grave tomorrow, and we will be on beautiful Fogo Island on Wednesday. I call it “beautiful” because I'm biased; it's in my riding. What can you say? Even with my colleagues from British Columbia here, I can confidently say that.

Before we get to the witnesses, there is a quick point that I thought I'd discuss with us here, and of course publicly. Derek Butler, the president of the Association of Seafood Processors, suggested that we should visit Iceland and Norway. I don't think we have the budget for that, but we are currently doing some work here to see whether we could have someone from Iceland and/or Norway be part of this study and talk about their fishery.

Can I get a consensus here that we should go ahead and do that? I know we're not the full committee, but...

Mr. Doherty?

Mr. Todd Doherty: I agree.

The Chair: You agree? All right.

Are there any comments? Are we okay with that?

Mr. Arnold.

Mr. Mel Arnold: I'm just wondering whether we are going to have some discussion over who it should be, and whether it would be government scientists, harvesters, or processors. How far do we go with it? One person who can represent all? I'd like to hear some discussion..

The Chair: You have a point.

Mr. Doherty.

Mr. Todd Doherty: We've heard witness after witness talk about what's been taking place in Iceland and Norway. I think that if we're truly going to get this right this time and really have some action behind it, this is something we need probably to discuss further, in camera, and with the whole committee, to debate how we best move forward.

The Chair: As a neutral chair I shouldn't say this, but I wholeheartedly agree with what you're saying.

Mr. Arnold.

Mr. Mel Arnold: If we're going to have those discussions, we should maybe consider looking at what's been done in other parts of Europe as well. We've heard of Norway, Sweden, and the changes that were made there and whatever they did to get their fishery open much sooner. There are obviously some success stories there. As someone said earlier today, we don't need to reinvent the process.

The Chair: Yes, as a matter of fact, Thai has already delved into some possibilities. We can discuss them at a later date. I know we have witnesses here.

Mr. Johns.

Mr. Gord Johns: Can you repeat what the motion is?

The Chair: It's not a motion. I'm sorry, I was just looking for a consensus so that we can find some people from Iceland and Norway to be a part of the study.

Mr. Gord Johns: I think it would be also beneficial to have someone from Massachusetts and Maine, because we're hearing a lot about some of that. I think Mr. Cobb will talk a little about the value proposition piece, because he did at the oceans caucus in Ottawa. I think that would be of importance.

The Chair: He's talking about the oceans caucus. Mr. Johns was there when you presented there. We have an oceans caucus in Ottawa, everybody, and Fin Donnelly and I are chairs. Mr. Cobb was there as well, which I'll get to in just a moment. That being said, we'll work on that. Will it be Iceland, Norway, and Massachusetts and the northeastern U.S. as well?

Okay. That's great.

Thai in his infinite wisdom has just mentioned something. Maine and Massachusetts do not have northern cod. That's a different species altogether.

● (1310)

Mr. Gord Johns: I want to bring that up. It does come into play, because it's about getting fish to plate and it's about the value they've created there. It's an important piece to the northern cod, because we heard from witnesses throughout the morning about making sure we get as high a value as we can for each piece of fish, and they have a sustainable model that could be applied here on northern cod. I think there's some relevance to it.

The Chair: That is noted. Thank you, sir.

Let's get to our witnesses.

Mr. Doyle, you have comments forwarded to us to be distributed, so I don't have to go through the rigmarole of whatever is being distributed in English only. We have consent as of our motion prior to this.

Mr. Doyle, you're a harvester. Thank you for being here.

We also have, from the Shorefast Foundation—he's a board member, but he's also president of Fogo Island Fish—Anthony Cobb, or as we know him, Tony Cobb.

Tony's fish, by the way, or Fogo Island fish—I won't say it's your fish, Tony—is featured in the parliamentary restaurant, just so you know. That's a little plug that I threw in as the MP.

We also have Kimberly Orren with us. She's a project manager from Fishing for Success, out of Petty Harbour. Petty Harbour is literally just around the corner from here.

Ms. Kimberly Orren (Project Manager, Fishing for Success): That's correct.

The Chair: Let's start with our presentations.

Mr. Doyle, you have up to 10 minutes, sir. Go ahead.

Mr. Tony Doyle (As an Individual): Thank you.

First off, I'd like to say good afternoon to the committee and thank you for the opportunity to come and speak before you today.

As Mr. Simms said, my name is Tony Doyle. I am an inshore fish harvester from the 3L region. I currently serve as the inshore vice-president for the FFAW. It's a position I've held since 2014.

I was born and raised in the small fishing community of Bay de Verde, which is located at the northern tip of the Avalon Peninsula. Right now, we have approximately 400 people in the community living here. My community is a fishing community, and most working-age people in the community are either fish harvesters or were employees at the Quinlan Brothers processing plant, which burned down this spring, on April 11, and is now in the process of being rebuilt. There's a new steel building going up, 640 feet long by 85 feet wide, so it looks good for the future of our community, that rebuilding of the plant. Without this valuable fishery, this inshore fishery, our community has no real future. It's why people came to Bay de Verde in the 1600s and why we've been clinging to cliffs ever since.

I started fishing in 1970 on summer breaks while I was still in school, at the tender young age of 12 years, and at the time I fished in a 28-foot trap boat, which most people did. In 1975, when I got out of school, I got into the fishery full time with my father and uncle. I fished that boat, that 28-foot trap skiff, right up until the late 1990s, due to the fact that I had it fibre-glassed the year of the moratorium in 1992. Now I'm fishing in a 34'11" boat, which is used primarily to catch crab. I also fish cod with that boat, and I fish lobster and cod with a 20-foot speedboat.

I don't profess to know everything about the cod fishery, but I do know a fair bit. I've been around the water all my life, and I have a fair bit of understanding of some of the changes that occurred and that have been occurring. Back in the late 1980s, in 1988-90, we had three of the best years that we've had in cod fishing, with cod traps and gillnets. Those were the highest earnings that I had received up to that point.

There were plenty of fish on the grounds, of good size and good quality, and the capelin fishery was what we've called "normal" for a hundred years, I suppose. It landed in our area on the beaches around the middle of June. Some time before the June 20, between June 10 and June 20, was the normal regular time for capelin to land. The cod traps would go in the water a few days before, when we would see the signs, and then we had a six-week cod fishery, right up to the last of July. Then the traps came in. Then we went gillnetting for a few weeks, and then into the handline fishery into September and October.

In 1991 things started to change. We had ice in our community, in our harbour, right up until late June, I think. I took a picture. I have it at home somewhere. I couldn't find it to bring it in, but there was ice in our bay on June 9 of that year, and lo and behold, the cod didn't show up, and the capelin didn't show up until well into August. Whatever happened with the environment, with the water temperatures, everything went out of whack for a number of years, right?

● (1315)

In the winter of 1992 we got ready, but there were rumours that the fishery might close and there were no cod. We still had to get ready and go fishing. We had two cod traps in the water that we put out around June 10. When the announcement came on July 2, I hadn't caught one cod up till that time. We took in the gear within the time frame that was allowed, within four or five days. That year, the capelin showed up around the last week in August, almost two months late. They were small and only there for a little while, and then they were gone again.

It was a very difficult year for everybody, being out of work and trying to deal with family and financial issues and everything. Some people had a difficult time, and some of us did okay and pulled through.

In the years following the moratorium, I fished lobster, squid, and lumpfish, low-value fisheries and therefore low-income, but I did supplement the income that I was getting from NCARP for the closure of the cod.

At that time, in the early 1990s, there were virtually no cod out on the fishing grounds. Out where we normally went to get codfish, out on the shoals, there were no cod. Any cod that was around was tight to the shoreline, right in the land marshes almost, and of small size. For three or four years, I don't know if I saw a fish here that was over 20 inches.

Then the fish started to pick up. They started to increase. We saw some increases in size and in abundance. Certainly, we lobbied to get a fishery open. We were eager to get back even though we had crab, but we only had small amounts of crab, small quotas. We were eager to get back fishing and get at it. Now, in hindsight, I think we all realize that was a mistake. The stock hadn't recovered enough. We started fishing cod too early, and within a couple of years we were back into a downturn and closed it off again.

It's also important to understand that during this time the capelin still didn't land. The capelin weren't coming in when they normally did. I remember that about six or seven years ago we fished capelin with capelin traps, a friend of mine and I, with our crews, and July 21 was the first day that we landed capelin, which was still at that time four or five weeks late.

Since then, the capelin have started to move back into a normal mode. For the last four years, not counting this year, they landed in that mid-June time frame, but this year they were a month late again. I can't understand what happened this year, because water temperatures have been good, and actually quite a bit higher than what they were normally were. Through the 1980s surface temperatures were in the five-, six-, and seven-degree range through the summer. I took part in some tagging through the FFAW in the last few years, and water temperatures are up to a 15-degree surface temperature in late June, right through to now. We're in a warming trend, which is not good for shellfish but is more favourable for codfish.

In the past 10 years, like I said, the timing has started to improve. The capelin are arriving earlier, and therefore so do the cod. Cod has been quite plentiful over the last 10 years in our area. We had a guy doing sentinel fishing in Bay de Verde. Through the 1980s, when we fished with gillnets, the average catch was anywhere from 50 pounds to 100 pounds for catch on a 24-hour soak. Pull the nets today, set them back in the water, and pull them again tomorrow, and you're doing real well if you get 100 pound of net. The sentinel fishermen in Bay de Verde in the last number of years were getting anywhere from 500 to 1,000 pounds of net on a 24-hour soak.

● (1320)

We now have fishermen setting nets in the late evening, five or six o'clock, for a 12-hour soak. I talked to one guy last week, and from a 12-hour soak he had 1,600 pounds out of two cod nets. That was unheard of in the eighties, or rare, just every now and then.

The other thing that's happened is that through the eighties we couldn't catch fish in gillnets during the day. This year I set nets, the first year since we've been fishing with this quota. I've always fished with handlines, but this year I tried with the nets. The reason I did it was that I was fishing with handlines and getting 100% grade A, and I wanted to see if I could get 100% grade A, or what I could get, out of gillnets. I set in the morning and pulled back three hours later. Out of three nets, I got 600 to 900 pounds in three hours' fishing during the day. That was unheard of in my time, and even in my father's time fishing. Gillnets came to Newfoundland in the sixties. The first couple of years there were big catches, but then after that it went back to 100 pounds in the net.

I just wanted to let you know that things have improved with the fish in the last number of years. There's a lot of large cod and plentiful and healthy fish. When I was handlining, there was no trouble catching them. Another guy—my crew member—and I would be able to catch 1,500 pounds in three hours with one baited hook each.

The Chair: Mr. Doyle, sorry, but before you go any further, I'll have to ask you to wrap up soon. We're already over time.

Mr. Tony Doyle: Sorry about that.

The Chair: It's all right.

Mr. Tony Doyle: I just want to mention a couple of important things about the fishery we have today.

I've had a lot of discussion with the fishermen in my region and across the province, being chair of the Inshore Council. At the council table there has been a fair amount of discussion about how we would do this new fishery. We have to fish for a sustainable fishery. We have to land the best product we can and get it into the plants so that the workers can get work and the plants can get markets.

This year that's been happening. Last year we had a three-week fishery. This year it's an extended fishery. A lot of the fishermen are taking part and are quite happy to do so. They're landing good product, 80% to 90% grade A.

● (1325)

The Chair: Mr. Doyle, you'll soon have to pull it to an end. You have time for just a couple of comments.

Mr. Tony Doyle: I could talk for an hour, if you let me, but I know I can't.

The Chair: I would love to let you, as a matter of fact. Unfortunately, the rules say I can't.

Mr. Tony Doyle: There's one thing I want to mention, though, and that's the trust agreements, the controlling agreements, the owner-operator principle. The owner-operator principle is really, really important to my life and to the life of my community, because I have control. I'm an owner-operator and I have an enterprise. I have control of what I can do and what I can catch and where I can catch it, through DFO regulations.

With this cod fishery we started this year, 2,000 pounds a week, and 3,000 from September onwards, a lot of people don't like it, but a lot of people do. What it does is it puts fish into the plants—

The Chair: Okay, Mr. Doyle, I'm sorry—

Mr. Tony Doyle: —and it puts workers to work.

The Chair: I appreciate it. Here's my suggestion, though. During the next 20 minutes or so, have a look at your notes, keep in mind what you've forgotten, and during the question and comments you can bring it up then. How's that?

Mr. Tony Doyle: Okay, sure.

Thank you very much.

The Chair: The pleasure is ours.

Mr. Cobb, 10 minutes, please.

Mr. Anthony Cobb (Board Member and President of Fogo Island Fish, Shorefast Foundation): Good afternoon, Mr. Chair. Thank you for the opportunity to join you this afternoon and share some of our experience with your group.

As you mentioned earlier, I am a chair on the board of the Shorefast Foundation. We're a federally registered charity. Our work is done pretty much exclusively on Fogo Island for Fogo Islanders. We're been doing that work now for about 15 years. Two years ago, we started this new organization called Fogo Island Fish. It is a social enterprise, so it's very much a part of our charity's work. All the proceeds and benefits of Fogo Island Fish return to Fogo Island 100%.

Fogo Island Fish is a very small organization. It consists of me and my wife. We operate it on a volunteer basis. Along with all of my comments this afternoon, I want you to bear that in mind. To describe our community a little, Fogo Island has 10 fishing communities. We have 2,700 people or thereabouts. We have approximately 100 fishers on the island. It's interesting to us to hear Tony's previous comments. We've been fishing on Fogo Island for about 400 years. I'm an eighth-generation Fogo Islander. I'm the first generation not to fish.

Fogo Island Fish was designed to essentially reinvent the fish business to serve the community. Let me talk about that very quickly. I've issued the deck that's in front of me, and you're welcome to follow along. I know that some of you might want to read ahead, but if we could go through it together, I think that might help. It's about sustaining communities.

We have 10 communities on the island. We have been fishing on Fogo Island for some 300 years. I think that the lessons we have learned, we have learned well. We have to bear in mind that when you do something for 300 years, you learn a thing or two, and that should carry a lot.

With regard to a bit of history, 1968 was the time that the fishery was changing on our islands from a salt fish product to a frozen product or fresh product. The fish merchants back then did not make the transition in the change to the fishery.

Fogo Island had the good fortune to have the National Film Board come and make some films, and those films became collectively known as the Fogo Process. Out of those films, we formed the Fogo Island co-op, and we still have the Fogo Island co-op with us today. It is our processor. It's community owned. It's a co-operative. It's owned by the fishers and our plant workers. It will celebrate its 50th anniversary next year.

We have to remind ourselves about economics. For us, it's about economics as if communities mattered. As I said, we've fished sustainably in a small part of the ocean. From within sight of land, you could see your house from where we fish. Where we fish cod today is in the very same waters, so the waters that are populated with fish around our island are still within sight of land. We have fished it in small boats. Usually a trip is three or four hours in length, and we land our fish right away.

There's a tremendous amount of talk in the world about sustainable fish. There are many different definitions of "sustainable fish". I would like to propose to this panel and to others that we start to talk about who or what is sustained by fish, and who or what needs to become part of the discussion and dialogue about what makes for a sustainable fish. Of course, we have to respect science. Of course, we have to be caretakers of the stocks, and we have to consider who, whether it's coastal communities or corporations, is going to be the beneficiary of fishing.

By the way, all the photos of Fogo Island that you see in front of you today were taken on my iPhone.

Let's talk about the fish itself. Industrial fish are premium fish. For us, it's a very simple matter. In 300 years of fishing, we've learned a few things. It turns out that it's a matter of when you fish and how you fish. Let me talk about that a little more.

● (1330)

That picture on your left in the deck is a very important picture. It may be the most important picture in the deck. The fish on the left was caught using a gillnet by our fishers on the same day from the same waters as the fish on the right, which is a handline fish. This particular handline fish was caught one a time, in a traditional way, bled at sea—

The Chair: Mr. Cobb, I'm sorry. Could I just stop for you one second? I hate to do this because you're on a roll, but as you can see, the hearing is in competition with a far bigger crowd, with perhaps far greater enthusiasm. I'm not so sure. I enjoyed the song, but unfortunately the timing is not that great.

For everyone who is watching, if you cannot hear the testimony, we have devices in the back with headsets like you see Mr. Doherty and Mr. Arnold wearing. It's much easier to hear.

[*Translation*]

For French select Channel 2.

[*English*]

Just as I say that, the music stops, of course, but I'm sure we'll get another rendition soon. This is Newfoundland and Labrador.

Mr. Cobb, my apologies. Could you pick up where you left off, sir?

Mr. Anthony Cobb: Thank you.

We are talking about the slide, and just in case you want to jump to this slide, I want to show you this picture. It is a critical picture in the deck because it shows the difference. It is a visual difference. These fish are caught on the same day by different catch methods. One fish is gillnet fish. That fish suffocated in the net and is very discoloured. The other fish was handlined, pulled up right away, bled immediately, gutted and washed at sea, put on ice, and brought back to our processing plant within four hours. The difference is obvious.

The other half of this, on the next slide, is a question of who we are fishing for. I think there was reference this morning to who our markets are and who our customers are. If we are fishing for fish sticks, gillnet fish is fine, but if what we want is premium fish for premium markets for premium pricing, we have to take care of that fish at sea.

As you can see in another picture—I actually took this picture with my iPhone—this is the one picture that wasn't taken on Fogo Island. It was taken at a restaurant in Toronto. That is Fogo Island fish served at a restaurant called Luma. It is in the TIFF Lightbox, for those of you who know Toronto.

We have to go back a little here. I want to draw your attention to the next slide. When our current Prime Ministertook office, he wrote an open memo to each of his ministers. In his address to the then-Minister of Fisheries and Oceans, I want to draw your attention to the part of the letter where he says, "Use scientific evidence and the precautionary principle, and take into account climate change, when making decisions affecting fish stocks and ecosystem management." He also happened to say, "Work with the provinces, territories, Indigenous Peoples, and other stakeholders to better co-manage our three oceans."

On that count, thank you for coming today. You are doing that part of the work.

Let's talk about the science part of this equation. I talked earlier about when to fish and whether when you fish matters. A copy of the science report is here, in the back of my deck, so a complete copy of this part is available. I would like to read this out loud so that everyone in the audience can hear it:

> Historically, cod fisheries have been prosecuted during all seasons, but simulations of 1997-1999 fisheries indicate that a fall fishery (period of peak physiological condition) resulted in a 8-17% decrease in the number of cod removed from the stock while maintaining the same weight-based quotas, and profiting from maximum yield and better product quality. Spring and summer fisheries resulted in lower yield (6%) and quality (5-26%) of fish products by weight. Seasonal biological cycles could be used as templates for management strategies that promote fisheries conservation and economic benefits by harvesting fish during periods when biological impacts are minimal and economic returns maximal.

That is a scientific statement. I will put it in different terms for you. This might be the first time in the history of mankind when the right thing to do for the cod stocks is the right thing to do for your bottom line.

Science, it turns out, has proven what our forefathers have always known. The gentleman on my left referred to it earlier as well. A cod in the fall is heavier, denser, and firmer. It is better fish. When we fish in the fall, we take fewer individuals from the stock to make the same quotas, and that fish is a higher quality and fetches us higher prices. We now have the science to back it up.

Let's talk about how we fish. I am talking about Fogo Island, of course. We are using primarily two key methods to fish. Fogo Island Fish has focused exclusively on handline cod. We've handlined for cod for some 300 years. It is a terrific method, it turns out, and the market wants it. That is the other key thing about it. We do have this other method with cod pots, and I will talk about that as well.

● (1335)

With handlining, we are finding new ways with old things. There is a picture of it here for the members. I don't know if you are able to follow along here. These are two of our fishers, Boyce Reid and Austin Reid, to call them out by name. There was a small film made by the National Film Board this year that premiered at TIFF, *Hand. Line.Cod.*, and it features Austin and Boyce fishing by handlining.

We also are trying new ways with new things by way of cod pots. For the last eight years, we have done science research with the marine institute. Mr. Gordon Slade has led that effort on our behalf. He's in the room here today, and I want to thank Gordon for all his efforts. We have proven that cod-potting works. It works in the very same way that crab pots work. It's a baited pot. You put it down. It's fixed. It survives in foul weather. If you come back in three days, the cod are still swimming around and relatively happy. Well, maybe they're a little pissed off, but they're in good condition. This new technique is now ready to be industrialized, to be scaled up. It is firmly our belief, and has been proven, that we can catch as much cod as we need to using cod pots.

It is absolutely essential that we talk about capelin. Capelin is a keystone species for northern cod. We cannot have discussions about northern cod in any room at any time without talking about capelin. I will draw your attention to a second science report, which is at the back of your deck here today and is called “Northern cod comeback”. It was authored by George Rose and Sherrylynn Rowe in 2015. I will quote from that report: “Almost in parallel with the decline and increase in cod has been changes in the biomass of capelin....”.

I have never met Tony before, and I don't think we've properly met, but quite by coincidence, it seems his experience on the water has taught him the same thing.

What are we optimizing for? Are we optimizing for coastal communities or are we optimizing for corporations?

We fish in dayboats for Fogo Island fish. We catch it live. We bleed it at sea. We ice it for a short trip home. We cut it in our own plants. We trim it. We pack it and we flash-freeze it. This results in a very high-quality product. By doing so, we are preserving local Fogo Island co-op processing jobs, and I would like to note that Fogo Island fish pays our harvesters more than double the prevailing provincially negotiated rates for fish. In 2015, we paid our harvesters $1.25 a pound for head-on gutted fish. This year, with strong prices in the marketplace, we increased that. We were able to come back to our harvesters this year and pay them $1.40 for head-on gutted fish.

● (1340)

The Chair: Mr. Cobb, I'm going to have to ask you to conclude within the next 20 seconds or so.

Mr. Anthony Cobb: Thank you, Mr. Chair.

There's another one of these issues that we need to work on. We talked this morning about new recruits into the industry. We have lost about 60% of our fishers in the last 10 years. In terms of the conditions around that, I'd be happy to discuss it in more detail. That's something that we really must do something about.

We are about preserving our stocks and our coastal economies. When, how, and for whom we fish matters and has profound effects on our social, ecological, and economic outcomes. Fishing keystone species undermines our entire ecosystem. Fishing during spawning seasons is the equivalent of the total destruction of our stocks, and we shouldn't do it. We have the science that proves it.

The Chair: Thank you, Mr. Cobb.

I'm sorry, but I'm going to have to ask you to end there. Again, much like Mr. Doyle, you can work the rest of your presentation into the question and answer period, as we are also competing with the music.

Mr. Todd Doherty: I think it's unfair to our witnesses that they're competing with the room next door to us.

The Chair: I know. The only problem is I don't have a short-term remedy, Mr. Doherty. I share your frustration, and it will be noted.

Ms. Orren, please, for 10 minutes.

Ms. Kimberly Orren: Good afternoon, and thank you very much for letting me speak here today. I wasn't expecting this, so this is a very happy surprise.

Fishing for Success is here to respectfully request federal policy and regulatory support for our organization to have access to fish so that we can fully develop a youth cod fishery. I'm not here to talk about counting fish, or counting boats, or unions, or any of that. I'm talking about youth, and youth matters, because it doesn't matter what else you try to fix in the fishery if the young people aren't there to take it up. That's what we're concerned about.

I had the fortune of growing up in Newfoundland and Labrador pre-cod moratorium, and it was amazing, and that stuck with me. It made an impression on me, and I wanted to recreate that for young people in Newfoundland and Labrador today. I quit teaching high school science in Florida, a beautiful place where I was happy as a bug in a rug teaching stoichiometry and electron configurations. I would take my kids outside all the time and show them the natural environment, and I noticed that the kids were becoming more and more disconnected from nature. They didn't even know the plants and the animals in their own backyards, which they should know.

As I was coming home to Newfoundland to visit family, I noticed that communities weren't out around the community wharves the way they used to be. I grew up in Newfoundland. As a kid, you went down to the wharf and you helped haul out guts, and you helped cut out tongues, and you got to bring home a bag of fish to mother for supper. That wasn't happening any more. Kids weren't at the wharf because the fishery had changed. It wasn't cod anymore. The money fish was snow crab, and the boats had to be bigger to handle the bigger equipment. The wharves are concrete. There are swinging frozen blocks of bait overhead and forklifts, and that's no place for young people and families.

There are policies and regulations to protect our fish harvesters at work, as there should be, but where does that leave our young people and our families who now are disconnected from the fishing heritage? Think back to just less than about a 100 years ago, when about 100% of Newfoundlanders and Labradorians were involved in a family fishery. Think about your family farming that you were discussing. Then, in 1992, about 30% of Newfoundlanders and Labradorians were involved in the fishery, just before the cod moratorium. When I was growing up and could go down to the wharf and participate, there was that mentorship going on. You were at grandpa's elbow. You were at uncle's elbow. You were at nannie's elbow learning how to process the fish, and now, today, less than 2% of Newfoundlanders are involved in the commercial fishery.

Very soon, the stories of the fishing and the fish and the fishery won't even have a place in our families. There are children in St. John's who have not been in boats. There are children in St. John's who have not been fishing. Churchill once said that Newfoundlanders and Labradorians were the best small boatmen in the world, and he probably wouldn't say that today.

I took it upon myself to quit teaching high school in Florida, and I moved back home to Newfoundland, but before I did that I went to graduate school at the University of Florida in aquatic sciences and fisheries. I deliberately picked that school because they have a learn-to-fish program, so I could study that program before I set one up here in Newfoundland. Then I wanted to target a place. Where was I going to teach the kids?

St. John's would be great because that is where I would find the most urbanized youth. That's what I wanted: my target audience. I also had the benefit of it being where most tourists come into Newfoundland, so then I could have a pool of some revenue. I could have some tourism programs on the side, and then that could fund my youth programming, because youth programming is difficult to get funding for, so I had a double whammy.

Now, I'm in St. John's. Where am I going to have an active fishing community in St. John's? Well, wouldn't you know it that Petty Harbour has what's called a protected fishing area where they have maintained a handline fishery since 1895? When gillnets came online as a new technology, they voted them out. In fact, in 1964, by order in council, it was put into Canada's fisheries act that gillnets would be kept out of Petty Harbour, and today they fish with a handline and a single hook for their commercial cod fishery.

● (1345)

I even have a copy of the book today. If I weren't such a poor non-profit, I'd have a copy for everyone here today. That was important in teaching youth. You can go to www.islandrooms.org and find a digital copy that you can download that tells the history of it. That was important in teaching young people the state of our oceans today, with the monofilament plastic waste, the sustainable fishing, and all of that. Petty Harbour was it.

Now, how do I get my hands on historic fishing property? It usually gets handed down. I'm in the CSA now and I'm coming back from Florida. All right, so I finally get some property. I spend my own money on it. Now I get some people who are behind me, and we incorporate as a non-profit.

We put together this list of programs you have here on our own. We are up and running. We have a pilot youth cod fishery that we ran this summer with a small group of young people from Thrive. These are at-risk youth who were identified. They came out once a week this summer. They're going to graduate on September 27. We have a certificate for them.

They painted dories, corked dories, and went in the dories for a ride. They rinded sticks, which is a very traditional skill that you need in building fishing stages. We took them fishing. They processed their fish, and they got to take their fish home to their families.

Now keep in mind that these are at-risk youth, so the people they live with are probably food bank dependent. They got to bring home fresh fish, which is something you don't find in a food bank. This is a level of confidence and pride that you give these kids when they can actually bring fresh fish back. This is half of our first graduating class in the youth cod fishery.

I need federal support so that I can have access to fish, because we only had three weeks to do this. The extension to the weekend for the recreational fishery was of no help for us because social workers have no access to these young people on the weekends.

That's short and sweet, I guess. I could go on forever, because I've been developing this for about 11 years now.

Thank you very much.

The Chair: Thank you for that, Ms. Orren. We appreciate it.

We're now going to go to questions for seven minutes.

Mr. McDonald, you're first, sir. Go ahead for seven minutes, sir.

Mr. Ken McDonald: Thank you, Mr. Chair. Thank you to the three guests this afternoon, the witnesses, for taking the time to come here and present to committee.

My first question would be to both Tony Doyle and Mr. Cobb. Both of you referenced the capelin fishery and its importance to cod's survival and the cod stock in general. We heard the same thing from scientists in Ottawa last week when they presented to committee. As you see ups and downs in the capelin stock, you see the same trend in the cod stock.

Tony, you mentioned the capelin fishery again this year and in years past, the lateness of its coming and everything. What do you think we should be doing, as a government, when it comes to the capelin stock? As you say, everybody is focused on where the cod stock is—what it's doing, how it's growing, whether it's decreasing, what the biomass is—but from what we've heard from everybody who's presented to us, the capelin fishery is just as important.

I know there was a fishery this year. I passed by fish plants that were loading up transport trucks, fish containers and all, on the way for processing or whatever was going to be done with them.

Should we continue down that road? Where should the capelin fishery go as we're moving forward in trying to maintain and hopefully bring back the cod fishery?

● (1350)

Mr. Tony Doyle: I think there should be more scientific study done on the capelin, because right now my understanding is that there's nothing done offshore. The science people are going to a couple of traditional beaches where a lot of capelin used to land—say Holyrood and Bellevue, somewhere like that—and checking to see what amount of spawn is there. That's pitiful. One of the recommendations that should come from this committee is that there should be more scientific study of capelin to see what the stock is really doing and how it's doing.

I'm not sure myself. I asked myself if the stock of capelin that come to Conception Bay is at a low number compared with places further north, like Bonavista Bay. It seems they have a lot more capelin in other areas to the north, but at St. Mary's Bay, Southern Shore, Conception Bay, it seems like it's been sporadic. You get real good years, and then you get years like this year when it's pretty sparse.

I think we need to take the whole thing into perspective, because we have not only the cod that are dependent on it but also all the seabirds and the whales, and the seabirds on Baccalieu. The last couple of years, the diving birds did quite well. Murres and gannets, the gull and the tickleace—the lady, we call them—they're not doing well. They're not bringing out many chicks because they're only fishing in the top 12 inches of water, and if the capelin aren't up there, they can't get them. I'm out there a lot during the summer and I see what's happening.

Mr. Anthony Cobb: Mr. McDonald, I would say, in the absence of science and if we're going to manage any or all of our fisheries on the basis of the precautionary principle and science-based policy-making, we'd have to conclude today that there should be an absolute moratorium on capelin—today. There is no scientific research that's been done on capelin since 2012, to my knowledge, yet we have commercial fishery of capelin.

That certainly doesn't seem to respect the principle in the document I presented earlier. In the absence of such, I think there should be an absolute moratorium. I think you have to look at the economic benefit of that capelin and the consequence of taking it. The consequences of taking the capelin are dire to the cod, and we have a body of scientific evidence that proves this.

Mr. Ken McDonald: Thank you.

Again, Mr. Cobb, I have a question about your presentation on what's been done on Fogo Island for the sustainability of the community, for the mere survival of the communities that exist there, and how everybody kind of came together and bought into that process to make it work.

Do you think the same type of approach could mean the survival and sustainability of many of the small communities that we see in the province today, where there is a decrease in the number of people who are staying in these communities across the island?

Mr. Anthony Cobb: We're very hopeful, actually. I'm very hopeful that the things that we're doing—certainly the things that we're doing with Fogo Island Fish—can be adopted and adapted by other communities.

I think the opportunity for communities to participate in markets, to take products to markets themselves directly, is certainly easier now than it has ever been in the past. Working on Fogo Island Fish together, my wife and I have been able to work directly with our fishers. We purchased fish from 33 fishers last year, and this year we're going to purchase fish from 75 fishers out of a total of 100 fishers. We were able to get markets for that fish primarily in Ontario with just the two of us working on it.

I think for other communities that's a small-scale approach and small-scale thinking, but I think it can have a profound impact, particularly when you can double the economic impact to your community by doing so. There are lessons learned in the things that we've done for other communities, absolutely, and not just here in Newfoundland and Labrador. I think it's a national issue. I think we have fishing communities all over the country that are struggling with the same issues we are. I think going direct to market and taking premium product to premium markets is an answer for many communities in this country.

● (1355)

The Chair: Thank you, Mr. McDonald. I appreciate your keeping it to seven minutes.

Go ahead, Mr. Doherty.

Mr. Todd Doherty: Thank you to our guests today.

Every round has been informative, and this one brings yet another perspective. I appreciate the testimony of the groups that are here with us.

Mr. Doyle, can your correct me? Did you say you fished the 3L division?

Mr. Tony Doyle: Yes, it was 3L.

Mr. Todd Doherty: Your testimony is, by my standards, contradictory to what we heard last week from DFO, which said the numbers are weak. We're hearing from your testimony—or so it appears, at least, and you're on the water—that the numbers are fairly substantial

Mr. Tony Doyle: Yes. I've been at the cod RAPs in peer review. We're in 3L, right on the northern boundary of the southern section. When you go to Southern Shore and up in the Trepassey and St. Shotts area or St. Mary's Bay, the fish are not as plentiful, but we're on the northern boundaries. Trinity Bay is that side of the line. They're doing well, and so is the area in Baccalieu Tickle, around Baccalieu Island, and off into the Bay de Verde area. This year there were fish right in the bay, right as far as Port de Grave, where fishermen were catching cod in the recreational fishery and in the stewardship fishery.

Mr. Todd Doherty: Mr. Cobb, you mentioned about the loss in fishers. About 60%, I believe, was what your numbers were. You didn't go into details as to why, but I'm wondering if you can elaborate a bit on that.

Mr. Anthony Cobb: Of course there are a lot of complex issues around this question. We now live in a time when the cost to new entrants to a fishing enterprise is something in the order of a million dollars. I think there were some comments this morning about what's caused that, but that's where we are now. If a young person today wanted to go into the fishery—and we have young people on Fogo Island who would like to get into the fishery—they need a million dollars and more to do it. There isn't any financing in the province, with all due respect to guaranteed loans: those have to be vetted by banks, and banks have a bag full of noes. We all know that. That's not a viable option. That's not working.

We also legislatively now live in a time when all the regulations that you have to meet in order to go catch a cod are so onerous that it takes six to eight years of formal training, and fishing aboard a boat to get your hours aboard a boat, in order to become a fisherman. With no guarantee of prospects of income six or eight years out after you've succeeded, why would any young person invest a million dollars and six to eight years of life to try to pursue something with no guarantee of future income? It doesn't make sense.

What's I think is needed for cod specifically is a nearshore fishery, and we need to make it accessible to young people. We have a great number of young people whose fathers have fallen out of the fishery and who for various reasons couldn't take on the million or million-and-a-half-dollar obligations but would love to return to the cod fishery. If we had a nearshore small-boat fishery, predominantly for young people, with an appropriate level of training for that fishery and an appropriate level of investment required for it, I think we'd have a lot of new young entrants into the fishery.

● (1400)

Mr. Todd Doherty: Perfect.

Ms. Orren, did you say the graduation of your first class is September 27?

Ms. Kimberly Orren: Yes. That's tomorrow.

Mr. Todd Doherty: It might be interesting for five or six MPs to drop by. I know we have a fairly hectic schedule, but it would be interesting to cheer on the graduates of this program. I do appreciate your program. Is it in the school district, or only on your own?

Ms. Kimberly Orren: No, it's not associated with the school.

Mr. Todd Doherty: It hasn't been in the schools. Okay.

Ms. Kimberly Orren: It's a community-based, volunteer, non-profit program.

To address some of the comments that Mr. Cobb just made, it is true that it's a tangled issue to get into fishing. You have the provincial level, and then the federal levels—Transport Canada, Industry Canada. Then you have FFAW and PFHCB telling you what you can do to fish.

Young people are looking at a minimum—a million is really high—of $250,000 to get started, and as he said, six to eight years of training and then sea time. They're looking at that, and they see that as payment for an entire house. As for six to eight years, they're thinking that's graduate school. It becomes, as he said, quite onerous. A small inshore fishery boat for young people to get started.... Back in the day, they could push out a 22-foot boat and handline fish.

You also have to have some way to deal with them being able to market it as any individual business person could. That requires getting the province to come on side and reduce some of the policies on how they can market their fish and be able to ship it out of Newfoundland, too, which again is a provincial issue.

Mr. Todd Doherty: Mr. Chair, I have more of a comment for the committee.

Far be it for me to steer us away from our topic and add to what's on our plate, but we've heard time and again about the importance of the capelin fishery. It might be something that goes hand in hand with our cod study. We might want to think about a substudy on the capelin fishery to go hand in hand with this one.

It's something for us to discuss at a later date, but I'd like to have it on the record so that we can fall back to it once we get back to Ottawa. It's very important. We've heard a number of witnesses testify to that effect. I think it's fairly clear to those around the table that if we're going to have action-based results...we can maybe get some understanding on that.

The Chair: Thank you Mr. Doherty. That's duly noted.

We've just made our second attempt to quell the noise next door. Again, my apologies. It kind of makes the Delta look a little more attractive right now, doesn't it? Nevertheless, we are going to go to Mr. Johns for seven minutes.

There's one thing I'd like to address. We have a new witness coming in for the next round. Unfortunately, Mr. Blackwood could not be with us. He has had to cancel. We're looking at Mr. Merv Wiseman as a witness.

Can I achieve unanimous consent for that? Mr. Wiseman has been involved in industry search and rescue, and agriculture as well, but he wanted to bring some thoughts here. Are we okay with that?

Some hon. members: Yes.

The Chair: All right.

Mr. Johns, you have seven minutes.

Mr. Gord Johns: Thank you.

Thank you so much for your testimony.

I think local knowledge is clearly the most fundamental piece when we look at our fishery and how there's this huge disconnect.

I want to commend you, first of all, for your leadership. The investments you've made in your community are significant—your selflessness and commitment to moving forward in a new way with building the stocks in your communities and building healthier communities.

Mr. Cobb, you've invested quite a bit of your own capital into the co-op model. What could be done to replicate the co-op model from Fogo Island, or create some sort of hubs or incubators throughout Newfoundland and apply that from coast to coast to coast? Would that be something you might want to speak to a bit?

● (1405)

Mr. Anthony Cobb: Sure, absolutely.

I guess I'd be remiss if I didn't say that after 50 years of being together in a co-operative way, a co-operative model is certainly no panacea. Some days we think it's just an organized way to fight with each other, which is how it turns out some days.

The truth is that it has kept fishing alive in our community and it has kept our processing jobs in our community. It has kept us fighting and talking with each other and finding solutions. When we can have community-based processing, I think that changes everything. When we can have community-based processing, we can have community-based fishing.

I think a lot about scale. Fogo Island, as I said, has 10 fishing communities and 2,700 people. We are lucky we are large enough to have the critical mass to make that model successful. I do think, now more than ever, and certainly other folks here I think are of that view, that a small scale.... E. F. Schumacher wrote a book around 1974 called *Small is Beautiful*. It's a book about economics. I think it resonates with us more maybe today than it did in 1974. It's about scale. I think when we get the scale right and we keep it community-focused, we can do amazing things.

I'm going to do a shout-out here to British Columbia. There are some folks in British Columbia who fish for salmon. They fish by hook and line. They're on Instagram. They ship that salmon head on, gutted, to some of the finest restaurants in the world. We see it on some of the same menus as where our cod shows up, and I want to commend those folks for doing that.

I think that may not be specifically a co-operative model, but certainly it's community-based, it's premium product, and it's direct to market. We're certainly not the only people in the country who are doing that. We may be the first people in Newfoundland and Labrador, but there are other communities in the country doing it, and I encourage all communities to consider that approach.

Mr. Gord Johns: Yes, that was great. Ecotrust Canada, I think, introduced that as a partnership in Ucluelet. You can trace the fish right to the fishermen. The value is there. When you visited Ottawa, I think you talked about the fisheries down in Maine and Massachusetts and getting fish to plate.

Ms. Orren, you talked about regulatory support. What other types of support would help your program? I see a great connection, actually, between a co-op model and the program you're delivering, so that in every community we would have that education piece. It's key. It's an important foundation. Could you touch a bit on that?

Ms. Kimberly Orren: Right, absolutely.

The very first thing, of course, is having access to fish, because it's a little difficult to teach fishing without access to fish. Once we get access to fish, that then helps a lot of other programs that we want to do. For example, in Quidi Vidi yesterday, we partnered with Mallard Cottage and Wandering Pavilion and held free sessions on filleting fish and cooking up your fish. We also do other kinds of outreach programs like that, because besides fish being a commodity, it's our cultural food and it's related to food security. People in Newfoundland and Labrador, we find, don't know how to process their fish from whole fish anymore, or even how to cook it up.

Talking about some of the programs like fill-in-the-blank to plate, there are fish-to-schools programs, for example, that we would like to get involved in somehow, but again we don't have the fish. Fish is not served in Newfoundland schools, so what can we do to try to get young people in Newfoundland and Labrador to eat fish? As you can see, if you've driven around here, Newfoundland is probably not going to have a lot of cow ranches, so we're probably not going to be big beef-eaters. The protein we're going to have to count on in the future is seafood.

Food security is an issue. Ninety per cent of our food comes in on a ferry, and in three days we're counting on “storm chips”, and that's not really a very good thing to do. Getting folks to “eat local” and to eat local seafood is very important. Introducing that to young people is why we do events of the kind we did yesterday, when we had our staff go out and give filleting lessons. We get the kids involved in that and then partner up to show how to cook up your fish. Getting fish to schools is important, so it's about finding a way to do that, but we need the fish. There's even doing something like partnering with schools in Toronto to have the kids catch it here and then have the schools in Toronto prepare it, and they would have this whole cultural exchange. There are all kinds of things we could do, but until we get the fish we can't get started.

Also, there's one thing I noticed as we were talking about training for fishing. I've been getting some training for fishing so that I can do this. Besides being the representative, the grant writer, the bookkeeper, and all of that, I'm also a boat captain, and I'm going to fishing school. I'm at the marine institute, and oftentimes I'm the only woman in class. That's a concern. A number of the Canada summer jobs students we hired this past summer were young women, and they're interested in fishing. We thought we would start a Girls Who Fish program. That's for young women aged 8 to 80.

Sorry, old white guys around the table, but our heritage doesn't belong just to old white guys around the table: it belongs to youth and women too, because that's also important. When we engage everybody in a conversation, we start coming up with new ways to solve these very tangly problems.

● (1410)

Mr. Gord Johns: The “connecting people to place” piece is really what's important.

Ms. Kimberly Orren: That's right. We talk about “sense of place” for tourists all the time, and we forget about sense of place for our young people.

Newfoundland and Labrador continues to lose young people as soon as they graduate from school. Memorial University has wonderful programs that are very inexpensive, but the kids get the education and then leave. Our young people have a high crime rate and a high homelessness rate. A recent report by Choices for Youth showed that connections to community and heritage help prevent homelessness. One thing we're trying to do is to also work with Choices for Youth to develop heritage programs for them too. All of —

The Chair: Thank you, Ms. Orren. I'm going to have to cut it right there, because I have to go to the next question.

Go ahead, Mr. Finnigan.

Mr. Pat Finnigan: I'm not sure who I should ask—probably Mr. Doyle—but anyone can answer.

We've heard a lot about gillnets and their indiscriminate.... I guess they catch anything that goes, and we hear about other species that are important to that whole balancing act for the environment, for the ecosystem. Would it be a good statement to say they should be banned? I'm going to ask that really bluntly.

Mr. Tony Doyle: There are a lot of fishermen who fish with gillnets and fish responsibly. You can fish cod with a gillnet in a clean fishery. Cod will hang out on fishing grounds where flounder or other species don't.

In regard to landing quality fish with a gillnet, the reason I did it this year was to prove to myself if it could be done, and there was only one occasion when I had fish that I had 20% grade B and 80% grade A. All of the other trips I had were all 100% grade A out of gillnets. I only had the net set for three hours and then I took it back and took the fish out without damaging it, pulled the gill, put it in a wash tank, and let it bleed. Then once it was gutted, I put it into slush, as Mr. Cobb said, and it was back to the plant within three or four hours.

It can be done; you just have to be careful in what you're doing. They're used all over Newfoundland.

In regard to banning nets, they tried it on the west coast a few years ago. A lot of fishermen voted to use hook and line only, and lot of fishermen didn't like that decision and wanted to use nets, and they got it reversed. There's always a disagreement on net fish or open line fish.

● (1415)

Mr. Anthony Cobb: Thank you for the question. I think it's yet another tangly issue. I think it really comes back to markets. It's really a question of what the market wants. Certainly, in our instance, we have fishers from Fogo Island that fish all three fish methods now for cod—handlining, codpotting, and gillnetting. We're certainly seeing a significant difference among the three products in terms of the final product that gets landed and processed.

Where we're seeing the biggest difference is from the market for handlined fish, handlined cod. Whether it's a handlined salmon or a line-caught salmon from British Columbia, a handlined cod from Newfoundland and Labrador, or an Arctic char from the north, those catch methods result in very high-grade fish, verily the very best fish in the world, and the markets will reward us for that with tremendous premiums.

I think we just have to listen to the market on this.

Mr. Pat Finnigan: Ms. Orren, some would ask if is it realistic—and I'm not being sarcastic—to think you can go back to the days when you would just go out and catch a few fish with methods that have been here for a long time. I understand your point, because in farming it is the same thing. We have the latest technology, and the yields we can come up with are unheard of, but in my small province we started going back to the farm and supplying the local cafeteria with local food. It's not only the economic side but the social side of how to eat properly, the health side of it, and all of that. Is that where you want to go? You can't go back 100 years, saying we've done it like that.

Can you elaborate on the most important thing that you're trying to achieve by teaching young kids how to fish the old traditional ways?

Ms. Kimberly Orren: Why is it important to teach children to fish using the old traditional ways? If you're out in a big modern boat and your electrical system fails, your battery backup fails, your GPS isn't working, and you can't get satellite because there's a storm up, do you know how to use a compass? Do you know how to pull out those charts now and use a chart?

If we're talking about getting people to fish, getting out on the water, and being maritime, marine-oriented, living in the middle of the North Atlantic, can they pull out a chart and use a compass to find their way back home again? That's what I'm talking about.

I don't think the skills are old; they're basic. Put a kid in a boat with some oars, learn how to row a boat, see how it feels, and get your sea legs. Then they scale up to a boat with a bigger engine. Then they get into that big modern boat. I don't see it as being old. These are basic skills so when they get into that big boat, they know what to do.

Thank you for the opportunity to clarify that.

Mr. Pat Finnigan: Okay. I understand.

Mr. Doherty, when we're looking at the whole picture, of course it's not just about the cod disappearing, but about why. It's food. We heard from DFO last week that with the waters warming, different species are going to move north, so how important do you think it is that we look at this? What do the capelin eat? That's the next step in the food chain. How important do you think it would be to look at the whole ecosystem and not just at the numbers of cod out there?

Could anybody elaborate on that?

Mr. Anthony Cobb: I think there are a couple of examples in the materials I provided this afternoon. I think there are some answers in those two particular studies. I would like to encourage the panel to collect the body of research that's been done on our ecosystem, particularly as it relates to cod's presence in that ecosystem, since 1992. A massive amount of independent scientific research has been done in the intervening years and decades. I think the answers lie there.

● (1420)

The Chair: Thank you, Mr. Cobb.

Thank you, Mr. Finnigan.

Mr. Arnold is next.

Mr. Mel Arnold: Thank you, Mr. Chair.

I thank all of the panellists again for being here.

We're hearing a lot so far about managing the fishery, managing fishermen, and so on. I'm hoping that through the course of this study, we get around more to managing the fish stocks, because everything is dependent on that. Of course, managing fishermen is part of that, but without the fish there, all you can do is simply cut back on opportunity.

I've seen that happen with wildlife management in my home province. Instead of having science and the programs in place to enhance wildlife stocks, we simply cut back on opportunity. The same is true with salmon stocks. Without knowing what it takes to make sure that we keep those stocks healthy, we simply cut back on opportunity. I'm hoping this committee study will lead to some of that, so if there's anything anybody has at any point that steers us in that direction, I really hope they come forward.

Mr. Doyle, I want to thank you for being here as an on-the-ground fisherman. You seem to have a lot of experience and a lot of on-the-water knowledge about the cod stocks. I'm just wondering what else you've noticed out there in relation to other species, whether predator species or prey species. Those are obviously all part of this. We were just talking about the ecosystem part of it. Can you provide anything that way?

Mr. Tony Doyle: Thanks for the question and the opportunity.

I've been fishing a long time, as I said, and through the late seventies and early eighties I can remember coming home from Baccalieu in the afternoons and late evenings, and we'd look out in the bay, looking over this way toward St. John's, and on occasion after occasion we saw large tuna leaping out of the water. Then they were gone for 30 years. I never saw one for 30 years and never heard of anybody seeing one until three years ago. Now they're back, and they're back big time. There are a lot of them. There's a lot of tuna. I talked to a fisherman from Old Perlican the other day, and he and his partner were out in a speedboat gutting the fish and throwing the guts overboard. The gulls were eating the liver, and as the remains the gulls weren't eating were sinking, a school of 10 or 12 tuna, smaller tuna, was around the boat eating them up.

On Friday, out the north end of Baccalieu, where I fish, a tuna leaped out of the water no more than about 50 feet from the boat. When we were hauling the net, one fish rolled out of the net and was floating and trying to get down, and within seconds this tuna came from under the boat somewhere and just grabbed it. It was the biggest tuna I've ever seen, and I've seen some at 1,000 pounds.

They landed them here in the bay years ago. There was one landed that was 800 pounds by the rod-and-reel guy from Portugal Cove. He landed it in Bay de Verde on Friday evening, but this one that took the codfish was way bigger than that. There's a lot of tuna coming back in the area, and that's a predator fish too, but it's also unfortunate that none of our fishermen have the opportunity to fish it, because we don't have a licence for it. Most of the licences now are in P.E.I. and the Nova Scotia area.

Mr. Mel Arnold: What about other species besides tuna?

Mr. Tony Doyle: There are a lot of sharks: porbeagle, mako, and blue sharks. I have seen mostly porbeagle and blues. There have been cases in the last couple of years when we were fishing with the handline and we just had to pull up and leave the fishing grounds because the sharks just wouldn't leave us alone, biting the fish in half and tearing it off the hook. If you stay in the area, you'll eventually hook the shark, so we just pull up and move to another area and get away from them.

My explanation for the sharks is that we didn't see them in gillnets or see them in the handlines through the eighties, but since 1992 there has been no fishing gear on the northern Grand Banks. There have been no gillnets. There is no one out dragging with the dragnets. There has been no one out trawling, no longlines, so I guess all of this stuff had an opportunity to replenish, even though scientifically they say that the stocks of sharks are reduced from what they were, say, 10 years ago, but we are seeing more of them. The predator fish are showing up.

Again, as I said earlier, the capelin, which is a forage fish, is sporadic. The herring and the mackerel are something that we really need to get more information on and see what is happening there—

● (1425)

The Chair: I am sorry, Mr. Arnold. I have to cut it off there. We are going to have to shut it down there. I am sorry, Mr. Johns. We never got to you, but we have run out of time.

Obviously we took a lot of time from the beginning, but your thoughts are with us, and your statements were great. I thank you for that.

I always look for a point of clarification, and sometimes in this province there are some expressions we use that I take for granted. Maybe I and some members here, such as Mr. McDonald, might know for sure, but Mr. Cobb, could you briefly explain the concept of head-on gutted?

Sorry, Mr. Cobb, but apparently they do understand. I didn't mean to deride your intelligence. I apologize.

Mr. Anthony Cobb: That's okay.

The Chair: Head-on is basically the state of the fish that we sell it in when it is gutted. You get the idea.

That said, we are going to have to break for a bit. When we come back, we are going to have our next panel.

Are there any comments or questions thus far? Let's adjourn until 2:30.

● (1425)

(Pause)

● (1435)

The Chair: Everyone, welcome back. We are now going to resume with the hearings. We have panel number four.

There was a lot of talk this morning about science. We previewed it and here we are. We've reached this point.

We have Monsieur Pierre Pepin, senior research scientist with the Department of Fisheries and Oceans, based right here in St. John's, or as we normally call it, the White Hills.

We also have, from the World Wildlife Fund, which was mentioned this morning, Sigrid Kuehnemund and Bettina Saier. It's nice to see you, Bettina. You are no stranger to this committee or to the oceans caucus.

Of course, as we mentioned, Merv Wiseman is joining us for testimony.

Mr. Wiseman, I'm going to start with you. Please go ahead.

Mr. Mervin Wiseman (As an Individual): Thank you, Mr. Chair, and committee members.

This all came on very short notice for me. I actually heard about the standing committee's work on Saturday at meetings in Moncton, so I don't have a formal presentation. I didn't even know this morning that I might even get on. Pardon me for that. I hope I'm a little bit coherent as I start to piece together two or three things. I'll try to do it as quickly as I can without speaking too fast.

It's been a very interesting day. I thought the topic would be a little more restricted, but I see that it's very broad-based and I know that there are many connecting dots. We're here to talk about the northern cod stock. In the process, we're talking about education, quality, innovation, science, and a range of things, so it's an issue of connecting the dots.

I want to specifically speak about fishing vessel safety today. Before I get to that, there are a couple of points that I want to make with regard to the principle of adjacency and also with regard to a framework structure for working within an environment of shared jurisdiction, as we talked about.

On the principle of adjacency, I know it was talked about this morning, but I feel that it's worth reiterating. For the sake of full disclosure of who I represent, aside from my biosketch that I gave you, I am the policy chair for a party in this country. In the process this year, at one of the national conventions I coordinated the issue around adjacency, and a resolution was passed at a national convention on the declaration of adjacency and what all that means. I bring that up because in the process of doing that, there was a lot of collaboration and consultation in bringing all that together.

In getting it through an assembly of about 3,000 people, I thought it was a monumental idea coming from a specific province and a region and so on. To navigate this through, I needed to talk to aboriginals in British Columbia. I needed to talk to aboriginals in the north and other places in the Maritimes, and so on. What I thought would be a hard job was grabbed onto very quickly. It was something that resonated right across this country, and especially with the aboriginals, who talked about their communities and the social and economic tethers to the community that having the resources available to them should bring.

When it did reach the floor, it got unanimous consent. I wanted to mention that because of its national scope and the way that it resonates nationally. It's not just something out of Newfoundland and Labrador. There was recognition of this declaration of adjacency. Not only that, but it also pointed to the fact that it has been absent for a long time, and that maybe we should put the lens on some things that have happened over the last few years to make some adjustments against that particular backdrop.

In talking about structure in an area of shared jurisdiction, maybe we should say shared relationships. There was mention this morning of the C-NLOPB. As we begin to navigate down the road of shared responsibility, whether it's in harvesting or processing, we need to put some structure around it.

I also have an agriculture background. I was federation of agriculture president here in the province for about six years. My good friend Patrice would know all about this; we've been colleagues in the past on projects. Within the scope of agriculture, it started out to be an agriculture policy framework agreement. In the scope of that agreement, it considered the issue of a shared mandate, including the issues of quality, food safety, food security, innovation and science, and business risk management. It was, in fact, more than a federal-provincial-territorial agreement, more than a bilateral agreement. It was actually a tripartite agreement whereby the producers themselves all became part of a very comprehensive, structured approach on a five-year basis, with proper funding in place and proper bilateral structures. I think it's a great model to consider—fed-prov-territory in collaboration with all the stakeholders—for a framework agreement for fisheries.

Third, one of my key objectives in being here today is to talk about the issue of fishing vessel safety. I have 35 years with the Canadian Coast Guard, most of it in the area of search and rescue. We've had some serious mishaps, fatalities, incidents, and so on, in the fishery. In fact, over 70% of the maritime search and rescue incidents are related to the fishery. I was given the fishing vessel safety file as part of my rescue coordination duties, and I dealt with that for about 10 years, regionally as well as nationally.

● (1440)

A lot of the roots of the issue around fishing vessel safety go right back to DFO management, especially the issue of size restrictions. There's a management tool that's being used extensively—probably more than any other management tool that I'm aware of—around how we manage the fishery, and it has to do with size restrictions.

We had a serious fatality last year in Placentia Bay. The Transportation Safety Board just finished its report about a month and a half ago. It tied the activities of the three fishermen who were lost to the fact that they were in a small vessel. While they were fishing in a 22-foot speedboat, tied up at their dock was a 45-foot longliner that they weren't allowed to use. A lot of contortions have gone on to try to remove this. In fact, the old tool of using size restrictions as a fish management tool is in full contradiction with Transport Canada safety rules and regulations.

We had another fatality almost three weeks ago, and again we're dealing with the issue of size restrictions. Regarding vessel modifications, some vessels are being instructed to remove as much as two inches off the bow of the vessel, off the stern of the vessel. The buoyancy of the vessel is affected, and the whole process costs literally hundreds of thousands of dollars. The full scope of it is more than I can talk about here in these 10 minutes.

I'll just leave it here for your consideration.

Thank you.

● (1445)

The Chair: Thank you, Mr. Wiseman.

Ms. Saier is next.

Ms. Bettina Saier (Vice-President, Oceans, World Wildlife Fund-Canada): Thank you, Mr. Chair.

My name is Bettina Saier. I'm the vice-president for WWF-Canada's oceans program. With me is Sigrid Kuehnemund, lead specialist. I'd like to thank the committee for the opportunity to contribute to the northern cod study.

For half a century, WWF has worked to protect nature. The World Wildlife Fund is Canada's largest international conservation organization. It has the active support of more than 150,000 Canadians. We connect the power of a strong global network to on-the-ground conservation efforts. Our NGO has offices in St. John's, Halifax, Vancouver, Toronto, Montreal, Iqaluit, and Inuvik. WWF-Canada creates solutions to environmental challenges that matter most for Canadians. We work in places that are unique and ecologically important so that nature, wildlife, and people thrive together. Working with our partners and drawing on science and innovation, we focus our efforts on increasing marine protection, habitat-friendly renewable energy solutions, wildlife protection, and sustainable fisheries.

With this mission in mind, we'd like to talk to you about the relationship between your study on northern cod and what we do to help rebuild the fishery with strong links to communities and the economy.

WWF-Canada has been working for over 15 years with fisheries stakeholders to help rebuild the cod fisheries in Newfoundland and Labrador. We led a successful fisheries improvement project for the southern Newfoundland cod fishery in partnership with Icewater. A fisheries improvement project is a collaborative tool to improve a fishery so that it meets globally recognized sustainability standards. It basically tests the fishery performance against an independent set of criteria and indicators. In March of this year, the fishery became Canada's first Atlantic cod fishery to achieve eco-certification.

Building on the success of the southern cod fishery, WWF-Canada launched a new fisheries improvement project on northern cod in collaboration with the FFAW in April of 2015. This project aims to bring the historic cod stock off the northeast coast of Newfoundland and Labrador back to a sustainable level and eventual commercial viability for the benefit and economic well-being of communities.

As the northern cod stock shows early signs of recovery, WWF-Canada has been working with fish harvesters, processing plants, scientists, and retailers to develop a fishery that is sustainable, both environmentally and economically. In particular, over the next five years we will be working hand in hand with harvesters represented by the FFAW, the seafood producers of Newfoundland and Labrador, the Fogo Island co-op, and the newly formed Newfoundland and Labrador Groundfish Industry Development Council. Indeed, here in St. John's today, the FFAW and WWF are bringing together relevant stakeholders from the industry, managers, and scientists to create a stakeholder-endorsed action plan for the northern cod stewardship fishery.

This is timely, because the resource is growing—in some areas, fast—and management decisions today will influence the future of this fishery. The fisheries improvement project action plan will be a public document that lists activities, budgets, and roles for strategies to address issues with the fishery, such as the requirement for a robust rebuilding strategy. We're hoping to complete the action plan by October of 2016.

On the basis of WWF-Canada's hands-on conservation work on northern cod, we'd like to share four recommendations on how to help ensure that the recovery will be successful and continue to provide for Newfoundlanders and Labradorians into the future: one, take a go-slow approach based on science; two, implement a modern ecosystem fisheries management approach; three, sustainably manage capelin, cod's main food supply; and four, incorporate social and cultural considerations into decision-making.

On recommendation one, a go-slow approach based on science, the maintenance of low removal levels from this stock over the past decades has been essential for the recovery we're seeing today. Hence, a go-slow approach should continue to guide management decisions. A gradual or precautionary approach will ultimately bring the greatest long-term benefits for this iconic fishery and the people who depend on it. WWF-Canada participates in the DFO-led working group tasked with the development of a northern cod conservation and protection plan. We know first-hand the complexity and hurdles that have been faced in its development.

● (1450)

We remain committed to the promotion of a go-slow approach through the implementation of robust harvest control rules that provide for a slow increase in fishing effort as the stock improves and that expedite a reduction in fishing effort as soon as a decline in the stock level is observed.

We applaud DFO's recent work on improving the assessment method for northern cod. Based on this work, we support the further fine-tuning of northern cod science, in particular the development of biologically based reference points that will mark the growth milestones for this stock.

However, science is only as good as the raw data it is based on. It is a critical time for the government to invest in data collection and monitoring programs to protect the health of the northern cod stock. Improving data collection at sea, ensuring that removals from all sources—including recreational fishery—are accounted for, and using the best available scientific methodology are critical when making decisions on managing northern cod recovery.

Number two is to pilot a modern ecosystem-based fisheries management approach for the northern Newfoundland and southern Labrador shelf. Currently, most fisheries in Canada, including the Newfoundland cod fisheries, are managed in a single-species context.

There are separate integrated fisheries management plans in place for northern cod, crab, shrimp, capelin, etc. However, these species do not live in isolation from each other, nor from the surrounding ecosystem. The Department of Fisheries and Oceans should commit to the development of a modern ecosystem-based fisheries management approach that considers the broader ecosystem and the relationships between the different species within the northern cod range. Canadian scientists, including those from DFO, have developed a road map to an ecosystem-based approach to fisheries management for the northwest Atlantic and the NAFO. Because of this body of work, Canada is poised to ramp up efforts to develop and implement ecosystem-based fisheries management in the northwest Atlantic.

WWF-Canada recommends that DFO build on Canadian expertise and focus investment in science to promote the scientific study of northern cod, capelin, and the ecosystem unit that sustains them.

Specifically, we recommend that DFO initiate a pilot project to operationalize the modern ecosystem approach to fisheries management for the northern Newfoundland and southern Labrador shelf. This could be accomplished, for example, through the establishment of a scientist-manager working group.

We also have high hopes that Canada's current efforts to review the Fisheries Act will aim to incorporate modern safeguards, such as the ecosystem-based approach.

Recommendation number three is to carefully monitor and sustainably manage capelin, cod's main food source.

You have heard already from Dr. John Brattey, Tony Doyle, and Tony Cobb about the importance of capelin as a principal source of food in the rebuilding of the northern cod stock, and concerns presented to DFO from harvesters about the poor condition of cod—for example, starving cod off the coast of Labrador.

This is a concern of WWF-Canada as well. This summer we completed a new assessment of Canada's forage fish, those little fish with big impacts, such as capelin. It showed that we simply don't know enough about capelin. DFO has to prioritize capelin monitoring through acoustic surveys to be completed every year to provide enough information to sustainably manage the capelin fishery, which is important because of the vital role these small fish play in feeding larger predators such as cod, whales, and seabirds. To help identify how to improve capelin monitoring, WWF-Canada is creating a steering committee to bring together capelin managers, scientists, and fish harvesters from Newfoundland, Labrador, and Quebec.

Capelin numbers and growth are linked to environmental changes, so future management of northern cod must also consider the impacts of climate change on the capelin and cod populations. Increasing the knowledge base of climate change impacts on Canada's fisheries is a wise and much-needed investment.

Recommendation number four is to incorporate social and cultural indicators to manage the recovery of northern cod.

The harvesting industry in Newfoundland and Labrador is not homogeneous. Views on how to best manage the recovery vary greatly between the offshore and inshore sectors. For many inshore harvesters, fishing goes much deeper than a means to earn a living. It contributes to their identity and a sense of place, of community, often based on a rich heritage of fishing. Fisheries policy, however, has not always been transparent on how these important social and cultural values are considered in decision-making, if at all. Values are often hard to define and quantify, but we need to incorporate them into decision-making if we are to achieve sustainable fisheries management for the future.

● (1455)

I would like to close by mentioning that WWF-Canada will be hosting a cod symposium in St. John's on June 22, 2017. Our aim is to promote a new discussion on the future of Newfoundland's cod fishery 25 years after the implementation of the groundfish moratorium. Similar to the Ocean Summit WWF posted on World Oceans Day in Ottawa, our aim is to convene leaders from governments, communities, industry, the scientific community, and civil society for a constructive and solution-focused dialogue.

Once again I would like to thank the committee for allowing WWF-Canada to present on this study. I'd be happy to take questions on the points I've raised.

The Chair: Thank you, Ms. Saier. We appreciate that very much.

[*Translation*]

Mr. Pepin, you have the floor for 10 minutes. I hope that will be enough.

Dr. Pierre Pepin (Senior Research Scientist, Science, Department of Fisheries and Oceans): I'll do my best to finish my presentation in 10 minutes.

[*English*]

Thank you to the committee for inviting me to present.

I apologize for the French version of the document you should have a copy of. The translation's only partial. The labels on the graphs have not been translated. We can get that to you sometime this week. It was a bit of a challenge to get all this stuff done during the course of the week, but everything else is translated.

Today what I'll do is talk to you about the changes that have occurred in the environment and the ecosystem structure on the Newfoundland shelf over the last three, four, or five decades.

If you move to slide number two, this gives you an outline of the things I'm going to be talking about today. It's not an exhaustive list, but they are the key features you have to consider as drivers in responses to the changes that have taken place over time.

If you move to slide number three, here we're going to have a little bit of Biology 101 in terms of giving a sense of what the ecosystem structure is around here.

The timing and extent of ice, the weather, and the fluctuations in these features from year to year are the factors that determine the production of the lower trophic levels. They affect the timing and they affect the magnitude of the overall production of the phytoplankton, which are the microscopic plants on which the food chain depends, and that affects the production of zooplankton.

Both these groups contribute to the growth and production of the forage species, which consist of the young stages of fish, capelin, and shrimp, and all three of these components are important prey for the dominant predators in the system, which consist of a variety of groundfish. The dominant ones are indicated here, but there are a host of others, as well as seabirds, cetaceans, and seals.

One of the things to keep in mind when you're looking at an ecosystem is that it's dependent on its standing stock, but more importantly, it's more dependent on its production. The standing stock currently on the Newfoundland 2J3KL areas is about 1.5 million tonnes if you take all the bits and pieces into consideration, and the total consumption that takes place in that system is in excess of 15 million metric tons per year, so there's a lot more production you're not seeing when you're looking at standing stocks.

If you move to slide number four, one of the things we do around here is spend a lot of time trying to get a sense of what the environment is doing. For that we derive a state-of-the-ocean index, which is a composite of 28 time series that include information on meteorological conditions; the extent, timing, and other features of ice; the temperature of the ocean; the extent of the cold intermediate layer, which is a major oceanographic feature around here; and the salinated water, which reflects the balance in terms of the freshwater input into the system.

The most important feature of this graph is the change we saw from the early 1990s to about 2010, when we went from the coldest period on record to the warmest period on record. This is a dramatic change in terms of the overall conditions in that environment, and although there were periods of warm and cold prior to that, this was a rather dramatic change.

In the last few years we've seen a little bit of a cooling off, and that will have consequences to the dynamics of the species we're looking at, but nevertheless, it's an important feature to keep in mind. However, it is in contrast to what's going on in the Gulf of St. Lawrence, on the Scotian Shelf, and in other parts of the northwest Atlantic, which actually seem to be staying warm and continuing to warm as a result of changes in atmospheric forcing.

If you move to the next slide, which is a little bit more complicated, if you look at the panel on the left-hand side, it shows you the change in the abundance of the different functional feeding groups. By functional feeding groups I mean groups of organisms that feed on the same kinds of things. For instance, piscivores are all feeding on other fish species, and cod is a dominant piscivore in the system, so the changes you see in the blue portion of the graph are actually mostly changes that have occurred in the biomass of cod. The important thing to get out of this, though, is that from the 1980s to about 1994, all the groups collapsed, not just cod. Everything else in that system collapsed. Everything disappeared.

In 1995 we had a gear change, so we've had to adjust the estimates a little bit. At that time, we actually started capturing invertebrates in our nets, and that's why there's a red section there, but what you can see is that from about 1995 until about the mid-2000s, invertebrates increased in abundance, while the other groups weren't doing a whole lot. Starting at about the mid-2000s, the invertebrates started going down, and the groundfish species started to increase in abundance. That's an important thing to keep in mind.

● (1500)

The right-hand panel shows you the acoustic estimates of capelin abundance. Prior to the collapse in 1991, there were about 4 million tonnes of capelin in area 3L, which is just the northern part of the Grand Banks, not the entire area. In 1991, the bottom fell out of it. There were no capelin. They disappeared. They either died or went somewhere else. That was a very dramatic change in the ecosystem. The food base for many of the predators disappeared off the face of the earth—literally—and until the mid-2000s we saw virtually nothing happening. There's been a slight increase, but we're at about a quarter of where we were prior to the collapse.

On the next slide, the top panel shows the trend in abundance, a slightly different index of abundance—the average biomass per tow—of four of the dominant groundfish species: cod, halibut—often referred to as turbot—plaice, and redfish. What you can see is that the most dramatic change has been in cod. It showed a very marked decline, but all the other species declined.

After the period when things settled down, around 1994, the abundance of the other species stayed relatively constant. There was a slight increase in the abundance of turbot, but there wasn't anything else that took over. That's the important thing: there was no filling of the niche that had been occupied by cod.

What we were able to do from these data was identify areas that were dominated by cod, shown as the red symbol in the middle panel on the left-hand side. Redfish is the purple one, halibut is blue, and plaice is green. When you look at the spatial distribution shown in the lower panel of the six panels grouped in five-year chunks, what you can see is that prior to the collapse, most of the Newfoundland shelf was dominated by areas that were dominated by cod.

During the collapse, there was a fragmentation of the environment. The distribution of the communities became very fragmented. Areas where there had been cod disappeared and were basically literally fished out. Following that, there were several years before we actually saw any kind of rebuilding of the cod. What happened is that the community got dominated largely by the halibut and redfish communities, as well as by the expansion of some of the coastal species, which are less abundant in total biomass.

What we saw in mid-2000 to about 2013 was a reappearance of cod-dominated areas, but on the southern portion of the range where we had normally seen the cod. Although this has not been updated to 2015, what's happened is that the area in the northern part, which used to be dominated by cod, still has not recovered.

You saw this next slide last week during a presentation by Dr. Brattey. This is the estimate of cod. What you can see is that although there's been a resurgence in the last 10 years or so, we're nowhere near where the stock used to be.

The next slide shows another thing that changed during the collapse of the cod, which is the shift in the diet. The only things you really have to concentrate on in this panel are the red and the yellow sections. The yellow section represents the relative proportion of capelin in the diet of cod.

You can see that prior to the collapse, the diet of cod was dominated by capelin. During the collapse, there was a shift towards shrimp, because there was virtually no capelin available. In the mid-2000s or so we saw that most of the diet consisted of shrimp, as that was basically the prey that was available.

Since then, we've seen a resurgence in capelin and a decrease in the overall abundance of shrimp in the diet of cod, and not only for cod but for other species of major predators in that system as well. There has been a bit of a shift towards other species as well, which we don't quite understand yet.

Slide 9 shows that we investigated the dynamics of cod during the pre- and post-collapse periods. That was modelled using three key drivers: the capelin abundance, the fishery catches, and the seal predation. All these were estimated based on information, not guesswork. What ended up happening is that both capelin abundance and the fishery were statistically significant drivers of the changes in cod biomass in the region, but seal predation was not, no matter what combination of variables we actually included in the model.

● (1505)

If you look at the panel on the left-hand side, the blue dots are the abundance of cod from the research vessel survey estimates and the yellow dots are the abundance of capelin. You can see that the two track rather well.

If you turn to slide number 10, these are the dynamics of shrimp. We did not have good, reliable estimates of shrimp prior to 1995. You can see that the abundance of shrimp increased significantly—this is SFA 4, so it's areas 2J and 3K, basically. The abundance of shrimp increased until about the mid-2000s. It has been in decline ever since.

If you look at the middle and left-hand panels in the graphs here, they're a little bit complicated. I'll try to walk you through them.

The red line indicates the annual production, normalized or standardized so that we can put everything on the same scale. The red line represents the production of shrimp, and you can see that it fluctuates a fair bit from year to year, but the general trend from 1995 to 2015 has been a decline. When we started, we had high production in that system, and that's the increase in the biomass as well as the fishery catches relative to the previous year. That's generally been in decline.

In the middle panel you can see the composite index of environmental condition, which has been flipped so it makes the figure a little bit less noisy. Warm is down, towards the bottom, and cold is up, towards the top of the graph. You can see that it tracks fairly well with the changes in production from year to year. It's also reflected in the timing of spring phytoplankton booms. The dynamics of that whole ecosystem, from lower trophic levels to upper trophic levels, is reflected in this graph.

However, at the same time, if you look at the right-hand panel, the blue line or the black line shows the abundance of predators, and the green line shows the estimate of consumption. Again, they've been standardized to put them on the same graph. You can see that during the period when there was a decline in the production of shrimp, there was an increase in the number of predators and the overall consumption by predators. The most recent decline that we see in the graph, on the right-hand side in the green line, is basically because there's been a shift from shrimp to capelin in the diet of the major predators.

The next slide shows you the time series of capelin, which we discussed earlier. I'll walk you through the bottom graph. It basically shows the relationship between the production of the capelin stock and the timing of the ice retreat in the spring, just to give you a sense of how important the environment is to the dynamics of this stock. There are two lines on this: one is the pre-collapse and one is the post-collapse relationship with the timing of ice. It basically reflects that there's been a regime shift in the system that we don't really quite understand at this time.

The final panel here shows you the time series of catch per unit effort for crab in relation to the availability of cold water during the first year of life. You can see that in all situations there's fairly good tracking between the availability of cold conditions and the production of the crab stock.

On the final slide, to summarize, the biomass of Atlantic cod and other groundfish species as well as capelin has increased since the mid-2000s. The abundance of northern shrimp and crab have declined as a result of warming ocean conditions. The recent cooling trend may be beneficial to shrimp and snow crab, but the impact on groundfish and capelin is still uncertain.

We're going to continue to monitor the environmental conditions and investigate species interaction. We're currently conducting research to better understand and forecast the effects of changes in ecosystem structure on these key species.

Thank you.

● (1510)

The Chair: Thank you, Mr. Pepin. I appreciate that. It was very well done, with lots of slides. You made your way through them clearly and concisely.

I have one question for clarification, however. There's always some confusion. The turbot fishery is a big fishery here in Newfoundland and Labrador. The green on slide six says “halibut”. Are you talking about Greenland halibut, as in turbot?

Dr. Pierre Pepin: I apologize for that. In all these slides, we're talking about Greenland halibut, which is also called turbot around here.

The Chair: Yes, Greenland halibut we commonly call turbot, which is not to be confused with actual halibut, which we do catch as well. See, I just even confused myself. How about that? You're welcome for that.

The first round of questions is for seven minutes each. As the umpire would say, who's up?

Mr. McDonald, you have seven minutes, sir.

Mr. Ken McDonald: Thank you, Mr. Chair.

Again, thank you to our witnesses for coming here today to present to the committee.

My first question is for Pierre. I've been going through the paperwork of earlier witnesses throughout today and even last week, and there's been a lot of talk about capelin, the ups and downs, and how those relate to the ups and downs of the cod.

What are we doing, as a department and as scientists within the department, to monitor what's going on with capelin? It seems to play a very vital role in what's taking place with our biomass for cod. I don't know if I'd say we're being negligent, but it's hard to get a real sense of what's going on with capelin when they're not here one year and they're here the next. What should we be doing, going forward, to really tie the two together? Some people earlier mentioned having scientific information every year versus every two or three years.

Dr. Pierre Pepin: That's a good question.

We do normally conduct an annual acoustic survey of capelin in area 3L. Sometimes that extends a bit into area 3K.

Mr. Ken McDonald: Describe what you mean by “acoustic”.

Dr. Pierre Pepin: Basically, rather than using trawls to estimate the abundance of capelin, we use an echo sounder that is calibrated so that we can get an estimate of the biomass. It's a commonly used method, used mostly for pelagic species because they have a swim bladder, and you get an echo that comes off the swim bladder. If you can get a relationship between the size of the fish and the strength of the echo, then you can estimate abundance.

So there is a survey that has been going on. It's not as extensive as it was in the 1980s when the entire 2J3KL area was largely sampled, since we have fewer ships and we have fewer people, but it is a good index of the overall biomass of capelin in the system. It has been calibrated relative to the previous estimates to get a sense of whether what we see in 3L is reflective of what we see further north. You can miss some instances, but we also use the bycatch in the capelin research vessel surveys that are done in the fall to give us a sense of whether the capelin are broadly distributed or not. You will miss the fish that are on the bottom when you're doing that, but nevertheless it does provide an index.

We also recently hired two new research scientists, who are going to be working on capelin. One will be dealing mostly with coastal sampling and one will be dealing mostly with offshore sampling. There has been a resurgence in that area. You could say that you could put more people on that, but scientists always say that you could put in more resources and you could get more data.

Mr. Ken McDonald: Thank you.

My next questions would be to Bettina from the WWF.

First, as a group and as people who are interested in where stock levels should be and how much quota should be taken, what level does your group think the biomass of the cod should be at to sustain a commercial fishery?

Second, how do you see your role as a group in the future commercial fishery?

● (1515)

Ms. Bettina Saier: The beginning of the commercial fishery is set by a limit reference point that is being developed by DFO, and we fully comply with their recommendation on when to open a commercial fishery. There was a modest increase in catches for the stewardship fishery, which we think is also compatible with the approach that we believe in.

The second question was about our role. We're not officially a science organization. We see our role as promoting a sustainable approach in partnership with DFO, DFA, the FFAW, harvesters, and so on. What we can bring best to the table is some international experience as a global conservation organization. We do fisheries improvement projects all over the world. What we can bring is experience from other parts of the world on what works and what doesn't work. That's probably our main role.

We do lead the fisheries improvement project in collaboration with the FFAW. That's very hands-on. As I mentioned in my testimony, we have a meeting today, and we have this ambitious goal of getting an action plan together for the 2J-3K-3L stewardship fishery within a few months.

We're catalysts for positive change.

Mr. Ken McDonald: Thank you.

Pierre, I noticed, going through the slides and when we talk about predation on the cod, there's a mention that the seal was not determined to be something that caused the decline in the stock. I see —and I heard a presenter earlier today say—that the size of the seal herd, whether it's the grey seal or the harp seal, is 10 million plus. The comment was made this morning that if each seal ate one codfish a day, there would be millions of cod fish going out of the biomass we're trying to grow. If they're not having that much of an effect on the cod, what exactly are they eating? They have been known to eat cod and feed on cod, but every time we bring the size of the herd up to the officials as being a problem with the cod not rebounding very fast or taking from 1992 to now to see any jump in the stock, they disagree. What's keeping them back?

If the cod are not there, did the seals decide on a different diet all of a sudden to feed on?

Dr. Pierre Pepin: There are a few things to clarify here first.

The harp seal stock is at about six million or seven million animals, not quite 10 million. Since the collapse of the cod, the overall population abundance has doubled, so it's been a substantial increase. It went from about 3.5 million to about seven million animals.

The predominant prey for seals are the forage species—capelin, shrimp, other species. Although they do eat a little bit of cod in coastal areas, when you take into consideration where they spend part of the year and how much time they spend in the inshore—and granted, it's difficult to get good data for the offshore area, particularly over time—right now, if you look at what they're primarily consuming, it's mostly capelin, sand lance, and polar cod, which is a pelagic species, not a demersal species like the one we have. That's what they primarily feed on.

If you look at the overall predation pressure that they're putting on the cod stock, it seems not to be a major driver. This is not to say that they're not having an impact, but it's not a major driver. The major drivers are the availability of capelin—the right forage species for cod—and predation. Although it is definitely happening, it's not the major factor.

I'm a statistician to some extent, so what I talk about is signal to noise. If things give you a very big signal, a very big change, you can often detect their impact. In the case of things that don't change that much, it's very difficult to actually see their effect in the data—

The Chair: Thank you, Mr. Pepin. We'll cut it there, but I have a couple of things. What did you say the pelagic species you specified was? I didn't quite get it.

Dr. Pierre Pepin: It was polar cod.

The Chair: Polar cod. Okay, right.

Just for clarification, obviously we know what DFO means, but we also use DFA in this province. DFA is the provincial ministry of fisheries. It's formally known as the Department of Fisheries and Aquaculture. We heard from the minister this morning that it's changed its name, but in testimony you will likely hear in Port de Grave and Fogo Island that they'll mention DFO and DFA. DFA is the provincial fisheries.

That said, are you splitting your time? You're going to split three-and-a-half minutes each?

Go ahead, Mr. Doherty.

● (1520)

Mr. Todd Doherty: Those were great presentations by all of our guests. Thank you for appearing before us.

My questions are primarily going to be to Mr. Pepin on the capelin.

Mr. Pepin, in 1990 we saw the bottom drop out, to use your exact term, on the capelin. Was there a single event, or what matched with that? I'm going back to page 4 as well. It also correlates to the coldness, the drop in temperature of the water. Have you done any studies on what contributed to that?

Dr. Pierre Pepin: In 1990-1991, it was the perfect storm. You had a lot of fishing pressure and you had the coldest winter and the coldest summer. I remember being out on Conception Bay, and we had icebergs in August. It was a very bad situation. The extent of the cold water was very widespread. Most species around here try to avoid water that's less than 1°C, and the cold water covered the entire continental shelf. We saw capelin showing up in other parts of the Maritimes where capelin had never been seen, suggesting that some of the stock may have dispersed somewhere, but that kind of selection pressure, that kind of atmospheric or environmental event, probably killed off a lot of them as well.

The thing is, even though there might have been a couple of million tonnes of fish out in the water at that time, the ocean is vast around here, and we might not have seen where that occurred. It might have been gradual more than anything else. There was a complete collapse. There was some redistribution, but there was probably also some mortality that took place.

Mr. Todd Doherty: In his testimony last week, Mr. Brattey said that the capelin study is every two years. Is that correct?

Dr. Pierre Pepin: The assessments are done every two years. The surveys are conducted every year, when we don't have problems with the boat.

Mr. Todd Doherty: Okay. Thank you.

The Chair: Go ahead, Mr. Arnold.

Mr. Mel Arnold: Thank you, Mr. Chair.

Again for Mr. Pepin, along the same lines, we had the coldest temperatures here. They closed the European and northern European fisheries, but they were able to reopen them in three years' time. Did they see different ocean conditions there? It doesn't warm up sooner there than it does here.

Dr. Pierre Pepin: That's a really good question.

I'm involved, and have been involved, with a program that actually compares the Barents Sea with the Newfoundland shelf to look at the differences in response. One of the things that happened off Norway was that the stock collapse, or what they call a collapse, in comparison to ours was not a collapse. In their collapse, the stock went down to about 20% to 30% of peak. There was this huge biomass that was there to rebuild the stock afterwards.

The other thing that happens in the Barents Sea is they are much warmer than we are. The system is influenced by the Gulf Stream, so the water temperatures are four to six degrees higher than ours, even on the bottom. There's a real difference in the production potential, because we're dealing with cold-blooded animals, and their metabolic rate is related to the temperature and the environment. It's typical to see a doubling of metabolic rates for a 10-degree change in temperature.

Mr. Mel Arnold: I'm familiar with that.

You say their collapse wasn't anywhere near to being as severe as what we saw on this coast. Is it possible that we got past the threshold and it took much longer for the stocks to rebuild, but now they're maybe finally getting to where we'll see a faster recovery now that they're above that threshold?

Dr. Pierre Pepin: That's an extremely good point.

As a comparison with the extent of the collapse we saw in Newfoundland, the only other fishery I know of in the world that had collapsed that badly was the Hokkaido herring, and that took 60 years to recover back to a reasonable biomass level. We're dealing with the fact that the damage that was done to the ecosystem by a combination of factors was incredible.

Mr. Mel Arnold: Have I got any more time left?

The Chair: You have about two minutes.

Mr. Mel Arnold: Okay, good.

We've seen this in wildlife species, in other fish species. They get to that threshold where they simply can't recover on their own. What can be done in terms of predator management or competition for feed management to assist them when they get so low that they really can't recover on their own?

● (1525)

Dr. Pierre Pepin: That's a very good question. There isn't a really good answer, because in every exercise where humans have tried to manage an ecosystem rather than manage human activities, we've basically failed.

The biggest problem is we think we manage ecosystems, but the reality is we manage the human activities around them. There is a balance you can take by looking at predator-prey relationships, but you have to understand those very well before you actually do something. The cases where people have done this kind of predator management have often virtually eliminated the predator, and there's not necessarily been the response that they were expecting from the other species, because we're at the mercy of the environment. Whether the environment is productive or not is probably the biggest unknown that we have to deal with.

Mr. Mel Arnold: I'm familiar with that. We did predator management in B.C. on wolves. They thought they could reduce the wolf population by having hunters reduce the moose population. It didn't work.

A voice: It didn't work.

Mr. Mel Arnold: No. The wolves simply switched prey species and fed on more caribou or cattle.

For the WWF representatives here, can you tell us a little more about what you do on the ground with your fisheries improvement projects?

Ms. Bettina Saier: Yes, sure.

As I mentioned before, we completed a fisheries improvement project for the southern cod fishery and we just initiated one with the FFAW on the northern cod fishery.

It's a multi-year project. The northern cod fisheries improvement project is scheduled to take five years. We use an independent assessment, basically, to test the performance of the fishery using three criteria. It looks at the stock health, it looks at the ecosystem impacts on the fishery, and it looks at the governance structure of a particular fishery.

We identify where the issues are by comparing the fishery against those indicators, and then, as a second step, we develop strategies to address those issues. Finally, that would result in an action plan with very clear direction on do this, do that, what it costs, who is responsible, etc. Then there's implementation of the action plan, and the implementation phase, of course, is the most important one, because that's where on-the-ground improvement measures take place, and that's certainly a collaborative effort between harvesters, DFO, the provincial government, and many more.

The Chair: Thank you, Ms. Saier and Mr. Arnold.

Go ahead, Mr. Johns, for seven minutes, please.

Mr. Gord Johns: I have a second question for Ms. Saier as well.

Could you talk a bit about the hopes you have for the current efforts around the Fisheries Act and the aim to incorporate modern safeguards, such as an ecosystem-based approach? Do you want to talk a little more in depth about that?

Ms. Bettina Saier: Yes, sure.

DFO has a number of modern policies that were developed fairly recently. However, in order to solidify an ecosystem approach to fisheries management, we are thinking that changes in the review of the current Fisheries Act would be a valuable tool to strengthen the ecosystem approach. We will be submitting our specific comments on that. We don't really have them developed yet, but there will be a series of five to 10 recommendations specifically on the Fisheries Act. Basically, it's embracing and making the application of the precautionary approach stronger in the Fisheries Act.

Mr. Gord Johns: Okay. Thank you.

Mr. Pepin, we didn't talk a lot about climate change and the impact that climate change is having. Looking down the road, maybe you could share some insight on that aspect.

Dr. Pierre Pepin: Certainly.

We did an assessment of the impact of climate change across the Atlantic several years ago. The expectation is that overall, the productivity of the system should in all likelihood increase. There should be more production during the course of the summer and in the spring. We're also going to have a slightly longer growing period during the year. You have to remember that this is Newfoundland, so it can be actually be shorter or longer, depending on which way you go.

The expectations are that most of the species we have in this region are going to be in an appropriate thermal environment. That means that basically they're not going to be outside of the range that they like to live in. However, that can't be said for the invertebrates, the shrimp and the crab, which are cold-water species for the most part. They may be replaced by other invertebrates, but we don't have good knowledge for that.

We can expect to see, and we have seen, some species that we don't normally see showing up in certain areas. You heard from Mr. Doyle this morning that they're seeing more sharks. That may be partly because there are slightly warmer waters on the bottom. We have seen things like silver hake showing up on the southern Grand Banks as well, in fairly large numbers. This is an aggressive predator that may be competing with cod.

● (1530)

Mr. Gord Johns: Right. Thank you.

Mr. Wiseman, on adjacency, what kind of recommendations for a framework and pathway can we get to embody and embrace a kind of policy around it?

Mr. Mervin Wiseman: I think the thrust of the declaration of adjacency is to recognize the principle and put that at the front end of how you proceed with who gets the proper sharing arrangement. The principle was the main focus. The details of how you do that is not something that I deal with specifically, but I think there is a common sense approach.

If we look at some of the examples, I think it wasn't too long after the adjacency principle passed unanimously that we saw a decision on LIFO. I think we'd have to look at some precedent-type arrangements like that to say that this is where we can achieve this issue of adjacency.

Mr. Gord Johns: Right.

Ms. Saier, you talked about an action plan and said that you haven't fully developed it. Are there any pieces that you're ready to share with us?

Ms. Bettina Saier: Absolutely. We would be happy to share two documents.

One is the pre-assessment that identified the issues of the northern cod stewardship fishery. That's roughly a hundred-page document that your former regional director general, Jim Baird, did for us.

Second, we have a scoping document that we can share—this is also public—in which we develop strategies in consultation with harvesters to address those issues.

I'd very happy, once it's done, to share the action plan as well. We're planning to have that ready by maybe October or November.

The Chair: Just for clarification, the word "LIFO" came out. Are we aware of what LIFO—"Last In, First Out"—is? It's a policy that if there is a cut in quota, then the people who came into the industry most recently would be cut first, as opposed to the people first in.

Mr. Todd Doherty: I have a point of clarification for Mr. Wiseman. Were you saying that LIFO is something that is working or worked?

Mr. Mervin Wiseman: Yes, exactly. To illustrate the point further, the principle of adjacency is entrenched in the allocation of quota. I think that has some direct relevance to how we proceed in terms of allocating northern cod. We see examples in Newfoundland and Labrador and on the west coast and the gulf where the allocation of halibut has been reduced for the people along the coast. I think it used to be something like 38% of quotas, and it's down today to something like 22% to 23%. There's a direct bearing on adjacency there, but the correlation is working in reverse from where it should be.

The Chair: Thank you.

Go ahead, Mr. Finnigan, for seven minutes, please.

Mr. Pat Finnigan: Thank you, Mr. Chair, and thank you to the panel for appearing here today.

My first question I'll address to Ms. Saier.

We now hear that there's big marketing from the big chain stores, and a lot of them are only selling what they call a sustainable brand name type of seafood. We also hear some of the processors are rating their products as being fished in a sustainable way. Do you feel that definition would meet the standard of your organization as a sustainable product that's being sold to the consumers?

● (1535)

Ms. Bettina Saier: Just to clarify, we're not a standard-setter and we don't have our own sustainability standards, but we promote the sustainability standards of the Marine Stewardship Council in particular. That's a globally recognized organization that adheres also to a code of conduct by the FAO and other organizations. We don't set those standards; the Marine Stewardship Council.

There's a lot of fraud in seafood. You've probably heard the news that especially in sushi restaurants, there's about 90% mislabelling. There's a chain of custody associated with the Marine Stewardship Council. There's a guarantee that once the fishery is certified—and there is a chain of custody certification at every step between when the product has landed to the supermarket—it's surveyed and observed. There is a high degree of compliance within the Marine Stewardship Program.

Mr. Pat Finnigan: Do you think they go far enough, or do you think we're there? Do we need to be—

Ms. Bettina Saier: It's never far enough. Fisheries are complicated, and it's the important role of our Department of Fisheries and Oceans to manage the fishery. Eco-certification can help and can kick-start, and it has the advantage that it's market driven. A lot of the retailers that we supply—for example, Marks and Spencer in the U.K. or Edeka in Germany, you name it—all have commitments to procure only sustainable seafood until a certain time. That was what drove the collaboration with Icewater on the 3Ps southern cod fishery. It was the pressure from retailers in the U.K. who said, "If you don't have a product that's sustainably managed until 2015, then we're not going to use you as a source anymore."

I think those are the important market drivers that can complement the efforts of the Department of Fisheries and Oceans to manage the fishery well.

Mr. Pat Finnigan: Okay.

If anybody else wants to comment on that, you can.

Following up with that, given the practices that the big commercial fishing operations use in competing with the international market like China, which has maybe not the same labour or environmental standards, are we chasing something that is not sustainable when we try to compete with that and when we talk about fishing with gillnets and using the more traditional methods? I ask that of everyone on the panel. What would your comments be?

Ms. Bettina Saier: I think it's a critical time now to implement these sustainability measures. The Newfoundland cod product, as we heard many times today and at our action plan meeting this morning, is a product that is wanted in the world. It's a high-end product. It is a critical time now to make the transition. It will probably take some time, but I'm very hopeful that we will get to a point where the industry is less polarized and we develop one vision.

That is dependent also on what the market wants. The market will, to a certain degree, prescribe what sustainability measures we will be implementing. I'm hopeful, and I think the next five years are critical to making that happen.

Mr. Pat Finnigan: Thank you.

More to the research side now, we do a lot of research in DFO. You've invested a lot of resources, and we're going to invest more resources. How are we sharing that information, or gathering information from other countries that are similar to ours, such as Norway, Iceland, and even Russia? Do we share that? Do they have techniques that we could use? Would you comment on that, please?

Dr. Pierre Pepin: Scientists are constantly looking at what others are doing. That's part of our training. That's part of what we do. Innovation is an important element in any region, because your patch of water will be different from the neighbour's patch of water, but we have a number of collaborative projects. A couple of weeks from now, I'm flying to Norway to take part in a comparative study. A number of scientists from this region will actually be contributing information, and we'll be getting information back. The idea is to have joint projects like that, that build on what the other guys do. One of the problems is that we can't do everything. This is the only way we can progress and stop from reinventing the wheel all the time.

We also have to keep in mind the differences among systems. We spend a great deal of time trying to do that. There are some countries where it's easier to share. Norwegians are really good about it, the Russians less so. That's just a cultural issue more than anything else. We collaborate with the Spanish and Portuguese as well. I've been on NAFO working groups very often.

The marine science community is small. We like to work together, because we don't have a choice. That's how we build. That's how we foster knowledge. I've been on a number of international panels where the reason we work together is to build on everybody else's information. That's traditional in science, and it's particularly significant in marine science as well, because there are so few of us.

● (1540)

Mr. Pat Finnigan: Continuing on that line, do you feel that other countries...? Fish might not know that there is a border or a 200-mile limit. Do you feel there is proper management from other countries while they fish, you know, off the...?

Dr. Pierre Pepin: The long-distance migrations we hear about are mostly for very large species that undergo very long migrations. Tuna, being one of them, crosses the Atlantic on a regular basis a couple of times a year. Most of the stocks we deal with in this region, cod, flatfish, and capelin, will undertake migrations that may be on the order of several thousands of kilometres, but they won't necessarily cross the ocean, per se.

We've seen very little evidence that the cod stock in our region, for instance, actually influences anything we see in Greenland. Along our shelf, from Labrador to here, we do see those kinds of interactions. We do see that kind of migration. But for most of the species, the migrations are a little bit more restrained, and the broad-scale dispersal from one country to the next tends to be very close to the boundary most of the time.

The Chair: Thank you, Mr. Pepin.

That discussion reminds me of my predecessor member of Parliament, who was once quoted as saying that fish could be managed a lot easier if they'd only stop swimming.

Mr. Arnold, you have five minutes, please.

Mr. Mel Arnold: Thank you. I may split my time with Mr. Doherty as well.

Mr. Wiseman, you got cut short a little bit in your presentation when you got around to size restrictions on boats. I'm somewhat familiar with this. I've been a boatbuilder for years. A proposition came to our convention this year, but I'm not sure whether or not you're talking about the same one.

Are the size restrictions on boats to limit the capacity for harvest? Are they to limit the range? Why are the limits there? Perhaps you can explain more on that.

Mr. Mervin Wiseman: I've been looking at it for the last 30 years and I'm not entirely sure I understand the answer to that. It's almost a rhetorical question. The rationale that I've heard about using it as a management tool is that it does limit the capacity and hence limits the pressure you would have on a resource.

The irony is that because of innovation, creativity, call it what you will, they've never done anything to limit the hold size. We now have a situation where we have 45-footers with excessively more carrying capacity than a 65-footer or even a 95-footer. It's a really bizarre situation that I've never been able to get my head around.

Mr. Mel Arnold: We should probably look at hold capacity rather than boat size as a limiting factor.

Mr. Mervin Wiseman: Yes, absolutely. When we're talking about restricting size for issues of safety, we're also putting serious limitations on quality, and on ergonomics and crew comfort, and so on.

Mr. Mel Arnold: It's a roundabout way of limiting capacity, catch capacity. Through all of this, I'm quite surprised at the lack of knowledge we've seen so far, lack of testimony, about the cod's predator-prey relationships and their relationship with their prey. I'm not sure whether there's going to be more forthcoming or if Mr. Pepin can provide more on that. After 25 years of moratorium, I'm quite surprised that there isn't more data around this. What competes with the cod for prey, what do cod prey on, and so on?

● (1545)

Dr. Pierre Pepin: I can provide you with a partial answer. We are looking at the diet of potential competitors such turbot and American plaice and trying to track the changes in their diet over time. Part of the issue is that it's very difficult to reconstruct the past, when we have no data. We have a few years of data that we started as part of an ecosystem research initiative several years ago, where we started collecting data on the stomach content of key players, including capelin and sand lance, in the system. We have gained some knowledge, but you need to get enough of a change in the system to be able to understand those types of interactions.

I am involved right now in a project where we're looking at effective changes in zooplankton prey availability, the small crustaceans in the water column, and their effect on the condition of capelin in the region. Based on the data that we have we can go back to the 1990s with that kind of information. It is promising because we have detected some signals. But part of the issue is that there are many questions to address and it's been a challenge in the last few years to be able to address them all to the extent that is needed. But there are some data that are available to do that.

Mr. Mel Arnold: I don't want to sound like a broken record, but when the Europeans stocks didn't collapse as far as ours, were there some comparables there?

Dr. Pierre Pepin: Actually, that's one of the areas that we're going to be discussing in a couple of weeks when we go to Norway. It's very strange. Europeans collect a lot of data, but there are aspects they don't collect data on. Size at age and weight at age are some of the data that are often missing. In the last few years, they've been collecting more of that, so there's going to be more of a comparison between the data that we have in this region and the data they have off Norway.

Mr. Todd Doherty: Over the course of the moratorium, how prevalent were foreign fishers' incursions into our waters for poaching?

Dr. Pierre Pepin: I'm not a fisheries management person, but I can tell you that it probably wasn't all that much.

The Chair: We do have a few minutes left.

We'll go to Mr. Johns for three minutes, please.

Mr. Gord Johns: Ms. Saier, your document says fishing goes much deeper than just a means to earning a living. I wanted you to talk a little bit more about the social and cultural indicators that might help manage the recovery of cod. We had Ms. Orren speak earlier about the education and connection piece. We've also had Mr. Cobb talk about the co-op model and integrating the community into the whole fishery. Maybe you could discuss these matters with us.

Ms. Bettina Saier: Yes, it's an area we're exploring. I think there are some good examples in other jurisdictions, like the U.S. for example, for a stronger inclusion of social indicators in fisheries policy. It is a bit of a slippery slope, or can be, because management decisions should really be primarily guided by science. But then the social components are currently, of course, playing a major role in the decisions, and they should be playing a major role.

What it exactly looks like we don't know, but we're talking about, really, stronger inclusion of social science so that the decisions that are made based on science also help the communities thrive.

Mr. Gord Johns: Great. I think I'm good.

Thanks, Mr. Chair.

The Chair: Okay. That concludes this portion of the panel.

I want to thank the panel members for coming in and bringing their presentations with them. We really appreciate the work you've put into them. Certainly this is going to go a long way in our report.

We're going to break now for about 10 minutes. At the top of the hour, at four o'clock, we will have the witnesses we agreed upon earlier this morning. We're suspended until four o'clock.

● (1550)

(Pause)

● (1600)

The Chair: Okay, folks. This is our last session of the day. This is what we would call, in the most affectionate way possible, the overflow crowd.

A voice: It's overtime.

The Chair: Yes, this is overtime.

We want to thank our guests for arriving.

Members, I trust you've all received these bios, as requested by Mr. Doherty. We have bios on the three individuals in front of us: Jason Sullivan, a 33-year-old fisherman from Bay Bulls, who holds a fishing master first class and bachelor of maritime studies; Gus Etchegary, who has extensive experience in the fisheries management or business management and was and still is the chair of the Fisheries Community Alliance; and, of course, no stranger to this committee, a former member of Parliament and of this committee, Ryan Cleary.

Mr. Cleary, it's good to see you as well.

We're going to do 10 minutes each and try to stick as close to that as we can. We all want to get out in time for the fisheries broadcast at six o'clock, I'm sure, or at least some of us want to.

Mr. Cleary, how about we go with you first? Go ahead, please, for 10 minutes.

Mr. Ryan Cleary (As an Individual): Good afternoon, Mr. Chair, members of Parliament, welcome to St. John's.

My name, as the chair pointed out, is Ryan Cleary, and I'm the former member of Parliament for St. John's South—Mount Pearl. I served in the last Parliament from 2011 to 2015, and I spent most of that time on the House of Commons Standing Committee on Fisheries and Oceans.

We did a fair number of studies, but the committee only travelled once, and that travel wasn't to any province in Canada, but to Washington D.C. as part of a study on closed containment aquaculture. You can study a problem to death in an Ottawa boardroom, but you can't underestimate the impact of being on the ground, and I think all MPs and the chair will agree with that. When I say, welcome, I sincerely mean it, and I hope to see you here often in Newfoundland and Labrador, Mr. Simms.

I speak to you today, first, as a former journalist. I covered the northern cod moratorium on July 2, 1992, when John Crosbie shut down the fishery, and I worked for the local daily newspaper *The Telegram*. The front page headline of the next day's paper—I pulled it out last night; I kept a copy—read, “No Fishing: 19,000 out of work in northern cod ban”. That was 19,000 direct jobs on the water and in fish plants. That did not include spin-off jobs. The total number of job losses as a result of the northern cod moratorium was estimated at closer to 30,000, and that was compared to the dust bowl that swept thousands of prairie farmers from the land in the 1930s. The moratorium was initially supposed to last two years, and as you know, it's been 24 years. Newfoundland and Labrador has lost an estimated 80,000 people in those 24 years.

One of the biggest concerns back then was what was termed “transfer of effort”. It was feared that the intense fishing effort that had been directed at northern cod would be redirected to the next species, and then the next species, and then the next species, until there was nothing left in the north Atlantic. Thankfully, that hasn't happened, as you know, although the health of other stocks like shrimp, crab, and capelin have fluctuated wildly.

I also speak to you today as one of the leaders of the Federation of Independent Sea Harvesters, or FISH-NL. FISH-NL has been described as a breakaway union. Most fishery workers in Newfoundland and Labrador, including fish harvesters, fish plant workers, and offshore trawlermen are currently represented by the FFAW, the president of which was here and spoke before you earlier today. We see that as a conflict of interest. Fish harvesters specifically want to break away and form their own stand-alone union, FISH-NL, and that will play out over the coming months.

Part of the reason fish harvesters are ready to revolt in this province is consultation, and the fact that there isn't any. This year's northern cod stewardship fishery is a prime example of that. The absence of consultation has resulted in a northern cod fishery that puts the lives of harvesters at greater risk, and has led to the dumping of untold thousands of pounds of northern cod.

FISH-NL has held meetings around Newfoundland in the past few weeks. These meetings have involved hundreds of fishermen, fish harvesters, and I have yet to meet a single one who said they were consulted about this year's northern cod fishery. Fish harvesters say the one-year management plan has resulted in thousands of pounds of northern cod being left dead in the water. This year's fishery eliminated the individual quota, or IQ system, in favour of an extended season with weekly landing limits. Harvesters could take 2,000 pounds of cod from mid-August to early September, and 3,000 pounds of cod a week from early September until the end of the season.

Harvesters all-to-often reach their weekly quota when they still have gillnets in the water. As a result, when all the nets are hauled, thousands of pounds of dead cod are left in the ocean. Harvesters don't exceed their quota, so they're not charged with overfishing. Fish harvesters have a theory that the cod fishery was stretched out over more weeks, so the FFAW could collect more union dues. Harvesters see no other logical explanation.

Safety is also an issue because, with only 2,000 to 3,000 pounds of fish to take a week, it doesn't make economic sense to take a longliner or a bigger boat out to catch cod, not when you have to pay your crew and your expenses.

● (1605)

Harvesters say they're being forced into smaller boats, which obviously aren't as safe. Earlier this month, four fishermen from Shea Heights—that's a neighbourhood right here in St. John's—were lost in a 22-foot open boat not far from St. John's harbour.

I was also eager to appear before this committee to alert federal politicians, such as yourselves, and the Government of Canada to a growing crisis of confidence in the Newfoundland and Labrador fishery involving the FFAW, their union. On the one hand, the FFAW is responsible for holding the Government of Canada to account for day-to-day management decisions and overall fishery policy. On the other hand, the FFAW takes in untold millions of dollars a year from various federal government departments and agencies to administer various fisheries programs, so there's a conflict of interest to begin with in terms of the FFAW representing fish plant workers and fish harvesters. But the added element of conflict of interest and government funds undermines faith in the industry. Normal checks and balances that accompany a regular union-management dynamic can be compromised when funds change hands between the two, negatively impacting the entire fishing industry.

I wrote to the Auditor General of Canada earlier this summer and I asked the Auditor General to investigate federal funds directed to the FFAW, but his office declined, referring concerns to DFO auditors, which is another conflict.

I heard earlier today presentations by the president of the FFAW and the provincial minister of fisheries. Both the union and the provincial fisheries department have outlined the science roles they've taken on, and they've taken on these science roles because the federal government hasn't been doing its job. It hasn't been doing the work. But it's the Government of Canada that's responsible for the harvesting sector, as has been made clear today. The Government of Canada is responsible for proper management. The lines between the function of the fishermen's union, the federal government, and the provincial government have all been blurred. We need to bring those roles back into focus. To quote a fisherman in an article that appears in the local news just today, “The union now is DFO to us....” Who the manager is is not exactly clear.

The Government of Canada must be made to live up to its responsibilities to manage the fish stocks. That means good science, that means proper enforcement, and it means a sound management structure. But 24 years after the northern cod moratorium was handed down, we're only now, as there's a sign that cod are coming back, taking a good look at a management plan. From my perspective, from the perspective of a former parliamentarian and as a Newfoundlander and Labradorian, we should be ashamed.

● (1610)

The Chair: Is that it?

Mr. Ryan Cleary: Sure.

The Chair: Okay, and you're under time.

Thank you, Mr. Cleary. I appreciate it.

Mr. Sullivan, you have up to 10 minutes, sir.

Mr. Jason Sullivan (As an Individual): I didn't prepare anything so I guess I'm just going to talk from the heart.

I'm the white elephant in the room. There aren't many of us left. I'm under 35 and I'm a fisherman; I'm 33. After spending roughly $2 million to get into the fishery, my brother and I are doing quite well. We work hard and we do what we have to do.

Our shellfish stocks are in decline now—for me, it's mostly crab—so the return of northern cod is very important to me. It's my future and that of a lot of people like me. The trouble is when you make those decisions in Ottawa and you haven't had any input into it. It's disgusting what happened this year with the FFAW not consulting its members. I travelled across the province and we asked everyone, thousands of fishermen, if they had seen this proposal, and they hadn't. We still haven't seen it.

We don't know if this fishery.... We're told it's 15 weeks or so many weeks. We don't know. Now there are rumours on the wharf that it's closing in two weeks and that the total allowable catch is nearly caught. We don't know. We still haven't seen it and it's not right. We want to get it fixed.

I could talk to you today about lots of different things such as the price of fish and stuff like that. But the bottom line is that the price of fish is not your responsibility. The provincial government has us regulated so that we're getting pennies from what we should be getting, so you don't have to worry about that. That's a fight we're going to take up with the provincial government. They have to let us have free markets so that the market dictates the price, not a half-dozen merchants who pay us what they feel like paying us.

I'm going to focus more today on what we do and what you can control, and so on. We're going to form this new union. We really are. After Christmas, we're going to have this straightened away, so I encourage you not to make any major long-term decisions before this is done. We don't want three- or four-year agreements signed before we have input into what's actually going in there. We need to be a part of this process. We can't be left out again. It happened this year, and it can't happen again. This is forcing us back into small boats by taking our individual quotas, which our fathers and grandfathers fought for before my time. It was a monumental slap in the face.

If we had 30,000 pounds of fish, that's roughly $18,000 in today's market in Newfoundland. If we catch that in one week, it's $18,000, but if you stretch it out over 20 weeks, it's still $18,000. We're trying to make a living here. We don't want some sort of social program. To me, a fishery is a business. We like to be able to plan ahead. Maybe we can do something differently, but you can't do everything at once. We want our individual quotas put back. That's something we'll be fighting for.

I heard a lot of talk about Iceland today and everything they do over there, gillnets, and so on. I encourage you to do some more homework on it before you make any decisions about it. I've attended conferences and seminars with people from Iceland, and the gillnet fishery is still the most dominant fishery in Iceland. It still produces good quality fish. It's just that hook and line is obviously better. There's no doubt.

In Iceland, the reason they receive such good money for their fish is that they have a free market. They can market themselves. If I wanted to market myself, for example, take out a TV ad or who knows, in Iceland you have the opportunity to do that. But here in Newfoundland we don't, because we're regulated by archaic provincial legislation. We're going to fix that, too.

The only reason Iceland is successful is that there's no one else taking their fish. I have some papers here. I think you have them. It's a NAFO fisheries management schedule for 2016. When you get a chance, you can take a look at that. It lists the different species such as cod, redfish, and Greenland halibut, which is turbot.

● (1615)

You can see what percentages we get compared with every other country that's in NAFO. The percentage of cod in 3M, which is the Flemish Cap, is a disgrace. Canada is getting 0.8% of fish that are adjacent to us. Come on, boys.

Let's go over to turbot, Greenland halibut; it's probably the most lucrative fish that we have in terms of finfish and here we are with 15% of the quota. Every other country can come here. The EU has 6,400 tonnes. It's not good enough.

We often hear from the union that we can't invent quotas and we can't make fish for people to catch, but the fish are there. It's just everyone else is catching them.

What I noticed just last week on the Georges Bank, where the cod quota is shared between Canada and the U.S., Canada has the lion's share of that quota and we're sharing that bank. We're not sharing the Grand Banks with anyone adjacent and we get nothing.

It's time for people to look at it. I don't know what's going on, if it's with foreign trade or why we're getting sold out, but Newfoundland is getting sold out. The fishermen have been sold out.

Mr. Simms, you've been in opposition and you now have a chance because you're in power.

Mr. McDonald, it's your first term. Why don't you leave a legacy? Why don't you fight for us and make sure you fix this? This is wrong. What happened is wrong. I know you're good people and I know you're going to try. That's all I have to say.

The Chair: On that note, I'm not going to throw whether I'm a good person to a vote, so we'll leave it at that.

Thank you, Mr. Sullivan. Thank you very much. I appreciate the comments.

Mr. Etchegary, you have 10 minutes, sir.

Mr. Gus Etchegary (As an Individual): Thank you, sir.

First of all, thank you, Mr. Chairman and members of the committee. We're here on very short notice, as you know.

We made some notes before we came to the meeting this morning, but I have to tell you that I disposed of them during the previous three panels, because many of the statements made are tremendously important statements, and I'm sure you see, not only from the statements of these gentlemen but from others, that the fishing industry in Newfoundland today is one horrible mess. This comes at a time when the fishery, which is so important to the economy, has no real indication of recovery, despite what they say. Yes, there are some indications here and there, but by and large there is not an awful lot on the horizon, unless some miracles occur.

This discussion and your terms of reference have been on the northern cod stock. The northern cod stock is a very important resource. We've fished it for many years. We know the migration pattern, which begins with spawning on Hamilton Inlet bank off Labrador, to a large degree, and finds it way over its migration path and pattern down the Grand Banks to the nose of the Grand Banks, which is outside 200 miles.

By the way, I have listened over the years to tremendous arguments on that between Canadian scientists and foreign scientists in ICNAF and NAFO. In the case of the Canadian scientist, he says that only 5% of the northern cod go outside 200 miles, while in the case of a foreign scientist, it's up to 25% and 30%. That's important. I'll come to it later.

The fact of the matter is that I have appeared before this committee many times in the past. Obviously, practically all of you are new faces to me. I would imagine that in many cases this industry and what you've heard today are somewhat confusing in many ways, but I'm sure that somewhere along the line you're saying to yourselves, "What in the hell ever brought this once huge industry to the mess it's in today? How did it come about?"

I came into this fishery in 1947, two years before Confederation. At that time, there were three things occurring in the world. One was the end of the world war and the tremendous damage that was done in Europe. The second was the transition that was taking place between the traditional salt fish industy and the new and developing fresh fish industry. Third, we joined Confederation. The day we joined Confederation, Canada was elevated from fourteenth place in the world to sixth place in the world as a fish-exporting nation.

● (1620)

That was the value of the fishery that Newfoundland—not eastern Canada, but Newfoundland and Labrador—brought to the Confederation, from 14th to 6th place in the world. This was one of the largest and most diversified fisheries in the world: groundfish, in the form of cod, flounder, turbot, and other species; pelagic, with mackerel, herring, capelin, and so on; and crustaceans, shellfish. It's huge.

The transition from the salt fish industry began, and I was fortunate enough, at a very young age, to be manager of one of the first four frozen fish plants in Newfoundland, on the ice-free south coast, which was very important, particularly in those days. We eventually built a company that employed 5,500 people over the years, men and women, in plants and on ships. About 4,000 of those jobs were 50-week jobs, and the others were seasonal because they were in areas where ice was a major factor.

For the first 20 years, from 1950, let's say, to 1968-69, we developed a fishery and our own particular company. We built the first marketing organization in the United States, with offices in Trondheim, Norway; Cuxhaven; and London to serve the European markets. We associated ourselves with a very large company in Japan to gain access to Japan. For 20 years, and very.... It was annoying to me today to listen to people saying that the fishery prior to 1992 produced cod blocks. It just goes to show, well, a generation has passed since the moratorium, so many of the people who are contributing to this discussion today.... By the way, much of it was very good. Some very intelligent comments and suggestions were made, and I compliment them all, but the fact is that we brought into this country one of the most diversified and strongest fisheries—you might even term some of it "virgin fisheries".

What happened? Well, here is what happened. By the way, I might say to you that one of the main factors in what I call the demise, almost, of the fishery was the fact that at the end of the war in Europe, the millions of starving people who were left had to be fed, and the agricultural industry had been just about destroyed. In the meantime, in most of those nations there were enormous naval shipbuilding operations, so they turned to fish protein as a source of keeping the people alive in Europe for the next several years.

The Marshall plan by the U.S. took care of the industrial regrowth and redevelopment, but they were hungry. What happened? Well, over the next 20 years, 1,400 freezer vessels and factory freezer vessels descended on the resources adjacent to Newfoundland and Labrador, with 60,000 fishermen, and for the next 30 years, until 1978, they carried on a totally uncontrolled and unrestricted fishery, right in front of a country, Canada, to which we had transferred one of the greatest fisheries in the world to do one thing, sustainably manage it. Remember, it is a common property resource—not owned by a union, not owned by the Fisheries Council of Canada, not owned by any government in Canada or in Newfoundland. It is a common property resource owned by the people.

What has happened has been a catastrophe. I was a commissioner in ICNAF and NAFO and was sent for a month every June to listen to 20 nations sit down and decide what they were going to take, when they were going to take it, and how they were going to take it. Let me say to you this. A science council made up of scientists from all these nations, including Canada—by the way, we had some of the best scientists in the world as part of that group—sat down during the year, carried out their assessments on the various cod stocks, and made their presentation to the plenary session of ICNAF, in the first week of those meetings. I am talking about 1968, 1969, 1970, 1971, and so on. I was in it for 20 years. In each case, they made recommendations.

● (1625)

Incidentally, I was one of 50 commissioners who accepted the scientific council's recommendations for quotas and so on. The fishery, which was supposed to be conducted on the basis of, what they called FO.1 level, which was roughly 18% of the biomass. In other words, you could take 18% of the biomass and have a sustainable fishery.

Every year, contrary to what most people say, the scientists warned the participating countries that you're not fishing at 18% to 20%, but closer to 30% to 35%. At the rate you're going with your fishing; it's going to go. This is in 1965, 1966 and 1967. I can guarantee, I have the official proceedings as a result of my presence in that organization.

Our own Dr. Templeman, from Newfoundland, one of the best fishery scientists that I know, supported a presentation that we made as a result of our experience in ICNAF, and with the uncontrolled and unrestricted fishery. He spent a lot of time on research vessels, on the coast of Newfoundland and Labrador, so we made the presentation with his backing. We went and sat down with Mitchell Sharp, Don Jamieson, and Jack Davis, who was minister of fisheries, for two and a half days. Twenty-five of us from here, in October of 1971, made a presentation that showed them documented evidence, scientific evidence, that a continuation of the fishery, at the level that it was taking place, would mean the end. It would virtually become a cottage fish industry.

I'll give them full credit, these three ministers were shocked. During the presentation we made, since I was chairman of the group, they asked, could you have this presentation abbreviated for the Prime Minister? The following morning, we found ourselves sitting down with Pierre Trudeau and eight of his senior cabinet members. During the presentation, some of these people were agog, particularly those from the east coast. They had no idea in the world that the situation had reached this far. This is 1971. This is not 2002.

At the end of our presentation to the Prime Minister, they were shaken by it all. It was at a time, of course, that everybody was talking about extension of jurisdictions to get some protection. This is what we were after, some kind of protection for the resource. Within 24 hours of our presentation, Premier J.R. Smallwood received a telex, a copy of which I have, telling him that Canada was shocked, the Canadian government was shocked, and they were going to take action to extend jurisdiction to cover the total Canadian shelf; in other words, give the fishery on the continental shelf on our east coast full attention and full protection from the pirates from across the water.

Seven years later, they extended jurisdiction to 200 miles, leaving two of the most productive areas of fisheries on the nose and tail of the Grand Banks and the Flemish Cap at the mercy of the foreigners. I was shocked today to hear the representative of DFO answer your question, “Did the foreigners have any impact during the moratorium?” He said, no, they didn't.

● (1630)

I'll speak about Spain. I don't know if you people are familiar with an organization called the International Consortium of Investigative Journalists. I don't know if you're familiar with it or not, but they have carried out studies on these fisheries and on the subsidies received by participating nations in NAFO. Spain alone received $8 billion U.S. in subsidies to conduct foreign offshore fisheries.

For him to sit and make a statement like that is typical of what has happened to DFO's attitude toward the Newfoundland fishery since 1970.

I realize I'm coming to the end of my time, but this is off the cuff, and it's not entirely what I had in mind. Nevertheless, I felt it necessary to make you people aware that the collapse of this fishery is due to one thing and one thing only, and that is the fact that the Government of Canada has failed to do its job in terms of what the fishery was transferred to Canada for, and that was to sustainably manage the resource.

● (1635)

The Chair: Thank you, Mr. Etchegary, for that. I appreciate it.

Mr. McDonald, you have seven minutes.

Mr. Ken McDonald: Thank you, Mr. Chair.

Thank you, Jason, Gus, and Ryan, for your attendance here today and the presentations. I know each one of you has certainly shown your passion when you spoke about the various aspects of the problems, not just for the cod fishery but the fishery as a whole.

This is a little bit off topic, but with regard to FISH-NL and the formation of a new union, I know we won't resolve those issues here today, and we probably won't be the ones to decide on it, but as we say in Newfoundland, before it's all over, there'll be the scattered fellow that will probably get a smack in the mouth, but it might be well deserved. But the best of luck to all of you trying to do what you're doing with the best interests of the fishery and the fishers in mind.

The first question is to Mr. Etchegary. I've heard you talk on this different times through different media outlets, your feelings and your views on the establishment of a joint management of our fishery with both Canada and Newfoundland.

Mr. Gus Etchegary: Of course, this has been on the agenda for quite a long time, and many people have felt that should happen.

You have to remember that this fishery that we delivered to Canada is unique with respect to other fisheries on the east coast. For example, when the moratorium occurred we lost 20,000 jobs and 80,000 people moved out of the province to Alberta, where they were fortunately able to get employment.

In the case of the Maritimes, Nova Scotia, if you looked at the value of their exports prior to and after the moratorium, it would be exactly the same. The reason was it was 85% to 95% crustacean, shellfishers. In our case it was basically a groundfishery. Admittedly, one of the valuable fisheries, but unique in the sense that not only were we impacted by this but we were the only province in the fisheries on the east coast that had international implications in our fisheries. They were at our doorstep. They are at our doorstep today. They're fishing on the migrating stocks that are going over that imaginary 200-mile line on the tail of the Grand Banks and on the nose of the Grand Banks and on the Flemish Cap. Let me say to you that in the southern cod fishery, there are five main cod stocks. They're all very valuable, but the one on the southern Grand Banks has been exposed to foreign fishing ever since 1978 and the extension of jurisdiction.

By the way, one of the statements by the DFO man was correct when he said that the Barents Sea is greatly affected by the Gulf Stream current. He didn't say it, but the same applies to that resource on the southern Grand Banks. That yielded 100,000 to 110,000 tonnes of cod every year prior to the overfishing. Today it is as barren as that table because of continuous overfishing by foreign fleets, especially the Spanish and Portuguese, and the Russians to some degree.

You might ask, how in the hell can Spain and Portugal today, in the financial strain that they're under, send a $20-million vessel over 5,500 miles to fish on the Grand Banks with 60 men on each vessel? It's done because the European Union subsidized it to the hilt.

Another point I want to make reference to before I forget it is that the DFO man said, and rightly so, that the scientific capability of the White Hills organization today, is down here. He said we have fewer ships and fewer people. He also said that when you ask about capelin, which by the way hasn't been assessed, not for two years or three years but for nine years, and it's the most valuable fishery out here because it is the main food of a lot of the groundfish, he said problems with boats was one of the reasons it hasn't been carried out.

I can tell you that in the last 20 years the DFO capability has gone down to such a level. Beginning in 1995, Paul Martin reduced the budget to the White Hills science capability by 50%. We have documented evidence that shows that incrementally since then it has been lowered to a point where the WWF now is almost taking over from DFO. We're beginning to wonder who is running the show. DFO has lost control.

● (1640)

How did they lose control? Let me say to you that it all began, not necessarily the loss of control but the dictatorial attitude of DFO, in 1974, when the then minister of the day dissolved the federal Fisheries Research Board. Remember that name, the federal Fisheries Research Board. It was an organization made up of membership from every sector of the fishing industry.

Its job was to develop, along with scientists who were members of the organization, science programs, projects, for the continental shelf, which is almost one million square kilometres, and to develop a budget and deliver it to the minister. Not once during the time that I was involved did the minister ever change it, because of the calibre of the people who were involved in the federal Fisheries Research Board.

Then he dissolved it in 1974, transferred that responsibility on his desk, and thus became the dictator of fisheries for eastern Canada. From that day onward, you can trace, without much difficulty, the demise, the lack of control, and a reduced capability of DFO, and it went down and down.

The Chair: Mr. Etchegary, sorry, I have to stop you right there. Your seven minutes is up with Mr. McDonald. You may want to finish your thoughts in the next question or beyond.

Mr. Doherty, you're going to split the time starting with Mr. Arnold. Go ahead, for three and a half minutes.

Mr. Mel Arnold: Thank you, Mr. Chair.

Again, thank you to the panellists who have come out this afternoon on I think relatively short notice. I really appreciate some of the honesty that's coming out here.

I have a quick point of clarity. Mr. Etchegary, you referred to the cod stocks on the southern tips of the Grand Banks. Just for clarity, for the group here, are those still northern cod that you were referring to?

Mr. Gus Etchegary: No, the northern cod is from Hamilton Inlet back down to the nose of the bank, but down on the southern part is the tail of the Grand Banks. It's a separate stock.

Mr. Mel Arnold: Because we are doing a study on northern cod. Correct?

Mr. Gus Etchegary: Yes, you're doing it but....

Mr. Mel Arnold: I know there is some interaction there but I just want to be sure of what we're covering here.

Mr. Etchegary, you've been involved with this for a long time. I had stated earlier that I'm surprised at some of the mysteries that are out there in relation to predator and prey, interaction with the cod, and so on. In your opinion, do you think some of the science has been there but it's been lost between the water and the decision-makers?

Mr. Gus Etchegary: I can give you an example. Since I retired, I and other retired scientists as well were invited by the director general here in Newfoundland to attend a session by 25 scientists who were doing an assessment of St. Pierre Bank, just about 10 years ago. We sat with them for about seven or eight days during which time these scientists presented the information they had as a result of their at-sea research efforts and so on. They debated and argued and so on, but finally came up with a consensus. There were three men out of the group assigned to the job of putting together their consensus for presentation to the management.

My friend the scientist and I were asked to sit in while these people decided on the.... We sat there and we felt they had done a hell of a good job on it. It really reflected what had taken place over the past 10 days. So there was some message.

About a week later that was sent back to the same group for change. They came back three times before it was accepted for presentation to the bureaucrats and the minister, by which time it had been watered down quite a bit.

● (1645)

Mr. Mel Arnold: Where were the requests for change coming from?

Mr. Gus Etchegary: That I don't know, but it came from above so it had to be.... You have the scientists who are making the presentation to the managers, and then it goes into the bureaucratic system, I guess, and on to the minister. Somewhere in there, these recommendations....

What I'm saying is that many of the policies that have been applied to our fisheries particularly in the past 25 years have been politically motivated. We can't avoid saying that. It's true.

Mr. Mel Arnold: Mr. Cleary, you looked as though you felt some urgency to make a comment there.

Mr. Ryan Cleary: I just wanted to add on to that by saying, you would think that, since 1992, after the moratorium was introduced and the northern cod stocks collapsed, the science would have increased to understand exactly what happened and to make sure it doesn't happen again, but the exact opposite happened; the science decreased. Mr. Etchegary used a figure a little while ago, 50% or more, and as older scientists retired, they weren't replaced. We had a scientist right here a few minutes ago who spoke about surveys being carried out when the boat is not broken down, and he wasn't joking. Most of the Canadian Coast Guard vessels, for example, that do carry out research are on average about 30-odd years old. I think there was a report carried out a little while ago to show that our vessels have actually no book value. They aren't worth anything anymore.

You had witnesses here today from both FFAW, the fisheries union, and provincial fisheries. They both said they were doing science that's within the jurisdiction of DFO because it's not being done. One of our main points for being here today is that instead of FFAW or provincial fisheries doing the job of DFO, we have to do a better job ourselves of holding the Government of Canada, DFO, to account, to make sure they carry out their responsibilities under the terms of the union.

Mr. Mel Arnold: Thank you.

I'll turn the rest of my time over to—

Mr. Todd Doherty: He can continue to answer my question.

Mr. Mel Arnold: Okay.

Jason, you kind of ran out of time on your presentation. I just wondered if you want to add anything more as a harvester, a fishermen. I'm assuming you've invested your life and your future into this. What do you see as important in moving this forward so you have certainty, and I would assume, so you will be able to pass that on to your children in time?

Mr. Jason Sullivan: I'm proud of what I do, so I definitely want to pass it on.

I'm really fearful that with the way things are going, there's going to be nothing to pass on. You spoke of milk quotas earlier and the stability that quotas gave you and stuff like that. When we had them taken from us, I can't even describe the feeling. It's just anger everywhere.

There was an article in *The Telegram* today about the guys from Port de Grave that really feel this revolt had to do with not being consulted and everything else. It did, but there's more to it than that. There's the lawsuit; the fishermen had to sue the union about scallop grounds and stuff like that.

Being consulted is so important and we had guys doing the sentinel program that the union talked about. Those guys have been taking part in that for 20-something years. They're the guys on the water, so you'd think they'd be the guys they would have hauled into the room.

I asked what's going on and what you think we should do going forward, but again, there was no consultation. The only fisherman I heard about seeing that proposal was Tony Doyle and you should not have one person making the decisions for the entire industry, especially a person at the end of his career. You should look at it from the point of view of a new guy with 30 years left to go, and you should get his input.

● (1650)

The Chair: Thank you, Mr. Sullivan. We've run out of time on that question.

Mr. Johns, go ahead for seven minutes, please.

Mr. Gord Johns: Thank you.

You guys are certainly keeping us awake, no problem. Your passion is incredible and I want to thank you for sharing all of your local knowledge as well.

Mr. Etchegary, I really appreciate your sharing the history of what's happened and how Canada has failed the people of Newfoundland. I want to hear more from you, because without the history, without your sharing that knowledge, we're going to make the same mistakes again. I want to hear from you now, moving forward, about what you'd like to see and how you'd like to see us move forward.

Mr. Gus Etchegary: The unfortunate thing is that the moratorium is 25 years old. There was some recovery on the St. Pierre Bank off the southern coast of Newfoundland, a very important bank, with a tremendous fishery, actually—yielded about 80,000 to 90,000 tonnes a year.

There was a slight recovery, maybe 10 years ago, and DFO made the big mistake of reopening the fishery when the base of the fishery, in terms of year class—one-, two-, three-, four-, five-, six-year-old fishery—was not there. They opened it up with a 20,000 tonne quota, and only one and a half years later had to reduce it to 8,000 tonnes because the scientists doing a little work on it saw the thing on the way down again.

Now that fishery, which had been historically 75,000 to 80,000 tonnes, today is.... Some scientists, in universities particularly, are saying it should be on the endangered list. This is one of the most important cod stocks we have. We haven't learned anything. This thing has happened over a long period of time. If you look at any of the graphs the scientists have produced, you can see the impact of overfishing and going down...for example, some people are talking about 300,000 tonnes in northern cod at the present time.

In 1962, the spawning stock in that cod was two million tonnes. The spawning stock was under seven years. In addition to the two million tonnes, there was a fishery that was over seven years old, and that was estimated to be something in the order of a million tonnes. Today it's 300,000 tonnes, allegedly. Again, some of the fishermen are questioning that, and I don't blame them.

We're not doing any science. We're not doing the work. There's no science. Therefore, in the longer term.... The economy of this province is going to be based on the success or failure of the fishery in this province in the years to come.

Oil is not renewable. Minerals.... I come from a mining town; I know. Mining is non-renewable, but the fishery is renewable. Here we have the potential for one of the largest fisheries in the world. The population of the world is going from six billion or seven billion, up to 10 billion. The demand for fish is growing. I have contacts in the U.S. and Europe in marketing. There are two million tonnes of cod fillets alone sold in the U.S. annually. This friend of mine is someone who markets the Bering Sea cod, and he's selling 35 million pounds of cod.

For anybody to be talking about looking for markets.... It's not a question of looking for markets; the markets are there. It's a question of good, solid fisheries management that produces good, solid, market-sized fish that are firm, good quality, and can be produced as fish nuggets, fish loins, fish tails, and a variety of packages that the food industry, either retail or food service, has taken from us for years and years.

Once upon a time we were a main competitor for Iceland and Norway. As a participant in marketing, I can tell you there were times we sat down and beat out the Icelanders and the Norwegians on contracts with universities. I remember one distinctly with UCLA, in California, with 80,000 students on campus. They wanted a particular product. They gave us all an option to provide it. We spent a year, had machines built, produced cod lines, and got the contract, at 20 cents over the market, as a result of it.

All that's gone, because in the process of this going downhill, from 1965 to 1971, the size of cod as documented by Department of Fisheries officials in production plants went down from an average of 4 pounds to 2.2 pounds. The catch at sea for a 100-foot trawler, a side trawler in those days, went down from 2,000 pounds a fishing hour to 880 pounds. That's the story of the Newfoundland fishery.

● (1655)

A change has to come, and a change has to come by rebuilding our scientific capability, beginning now. A large body of fisheries of various species and so on has to be properly assessed so people aren't guessing and arguing about whether it's 300 tonnes or 500 tonnes or whatever. That's the job of DFO, not WWF. It's the job of DFO. These are the ones that are responsible in Norway—the government—and in Iceland. They refused to join the common market. Why? To protect their fisheries.

I was invited, prior to the last vote taken in Norway, to make four or five speeches from Hammerfest in the north to Oslo in the south to give them our experience in Newfoundland. Not that my presentation had that much effect, but it was the last time that Norway voted not to join. Why? Because Spain, Portugal, Russia, and 20 other countries would converge on their fisheries and beat the hell out of them.

Mr. Gord Johns: I'm sure the conversation that you had with them had an effect.

The Chair: Thank you, Mr. Johns.

You'll have to leave it at that. Your seven minutes are up.

Mr. Finnigan.

Mr. Pat Finnigan: Thank you, Mr. Chair.

Thanks also to the panel and for the passion that we have here for our last panel discussion. I will start with Mr. Sullivan. I will get to Mr. Etchegary.

Mr. Sullivan, did you say you would like to have more quotas? We're talking about the stocks being down and also that, as DFO said—but Mr. Etchegary contradicted—the fish do not migrate that far. Apparently we're in a fishbowl here that we control, but according to DFO, the fish do not migrate outside it. How would you explain a higher quota when we're facing such a downturn in the catches?

Mr. Jason Sullivan: How it works is that we get so much per week now. We don't know because we still haven't seen the proposal, but we'll assume it's a 20-week fishery. So, I'm allowed to have 3,000 pounds a week for 20 weeks. That's 60,000 pounds, but I have to catch so much per week. Do you understand?

Before, we used to have individual quotas, meaning I had my 60,000 pounds and I could catch that in one week if I had a sale for it with the merchant or whatever. That should be my prerogative. If I want to make a deal with you today that I can land my fish over a course of two weeks or one week, that should not be dictated to me by licence conditions or union policy. That's my freedom to try to negotiate and to try to make some money.

I'm not asking for more fish. It's just the way that it was allotted. They regulated me to say that it was no different than any other industry, like the milk industry or whatever. If there's that much money there, whether you catch it in one week or 20 weeks.... That's our problem with it, not being part of the process and not being consulted. I can't begin to tell you what a slap in the face it was.

I can tell you anything you need to know about current-day in Newfoundland. I moderate a Facebook group with over 1,300 people in it. That's where a lot of this backlash comes from, to be honest with you. If you want to know anything about the fishery in Newfoundland, I don't know anyone right now who knows more about it than me in terms of the different areas and everything else. If you want to know what happened and how we got in this mess, that man right there will tell you. He's not young. He's in his nineties and maybe God has him here for a reason, to tell you why and what's going on here. I'll guarantee you one thing: he knows what he's talking about. He knows why we're here and what needs to be changed so that it doesn't happen again.

When you were negotiating with CETA on this MPR stuff—getting rid of MPRs—that's a joke. MPRs are a joke, and they're provincial legislation and everything else. That has nothing to do with you guys. We'll battle the provincial government on that, but we should have gotten out of NAFO. That is what's taking our fish from us. We're not allowed to have it. You can read your graphs and do whatever.

You might have a question for Gus, so I'll let you have him.

● (1700)

Mr. Pat Finnigan: Mr. Cleary, you said that DFO has missed...in science and management. Would that reflect the history and the past that Mr. Etchegary related, or do you have a different opinion as to how they missed the boat on that?

Mr. Ryan Cleary: No, I don't have a different opinion. I have the same opinion. Mr. Etchegary wrote a book two or three years ago called *Empty Nets: How Greed and Politics Wiped Out The World's Greatest Fishery*. I lent a hand to write that book. It's his book. But, no, that's pretty much....

In terms of what happened, the history of northern cod to where we are today, I think that should be viewed as a Newfoundland and Labrador fishery bible of what happened.

Mr. Pat Finnigan: Thank you.

Mr. Etchegary, I have a final question for you.

Where we're at today, short term, long term, do we flex our muscles to the international community? How much is in our hands to control? I would ask you that.

Mr. Gus Etchegary: It's very difficult. The fact is that we still have an international fishery carried out on our doorstep, until and unless, either one or two things.... The government was reluctant, for trade reasons and other pressures I guess, to extend jurisdiction where they should have. We compromised, which probably we shouldn't have, and talked about “custodial management”, in other words making Canada manager of the fishery that's outside, allocating fish to foreigners on the basis of their historical performances of the past.

We tried everything with the last Prime Minister. Lo and behold, instead of giving us some kind of satisfaction in that respect, there's a meeting that takes place in Spain of NAFO and a delegation from the government and from industry goes and sits down at this meeting in Spain and agrees to amendments to the NAFO agreement that would provide them with the opportunity of re-entering the 200 miles. Then there was another condition in the article in the NAFO agreement that was called the “objection procedure”. In other words, any foreign country could overfish to any extent. They had something like 50 or 60 days to go back home and register an objection to being warned about it or an infraction or something like that. It went out the window because under NAFO, while the Canadian government can inspect the ships that are fishing outside, or if they do fish inside, and record infractions against the regulations for overfishing and so on, it's the flag state and the flag state only that can take any punitive measures against them. In the last 30 years, to my knowledge, there hasn't been one punitive measure taken against the violent overfishing that has taken place.

But I'm going to tell you, excuse me, just one minute, it's my last statement—

● (1705)

The Chair: Very briefly....

Mr. Gus Etchegary: This is the last time probably I'll be before your committee, but let me say this to you. The last time I sat here it was with a bunch of people from Newfoundland who objected to the Canadian government putting in the NAFO agreement this loophole that would allow them re-entry inside 200 miles. We went to the House of Commons fisheries committee and to the Senate committee and we made our presentation to them. I have to say your predecessors were alarmed. We had experts on it. Incidentally, one of our advisers was a negotiator of Canadian fisheries at the UN. It was proven to them that this was really a serious matter. That was the House committee. We later met with the Senate committee, and both agreed that this was a serious matter.

You know what happened? They both pressured the House to have a four-hour debate, which they did, and then voted on these amendments, on whether they should be accepted or not. The House voted 147 to 142 against the amendments. Twenty-four hours later, the Prime Minister and the Minister of Fisheries contacted NAFO and ratified the amendments, so I wish you all the luck in the world.

The Chair: Mr. Doherty is next for five minutes. Thank you.

Mr. Todd Doherty: I want to say again, Mr. Sullivan, I'm going to speak from the heart. I have to tell you that oftentimes it is better than hearing from academics, or hearing from those who have other interests in this. I think it's better to hear right from those who are on the ground. I'm a boots and jeans type of guy anyway. I come from a forestry and farming family. I'm not too sure, but there may be only a handful, or I might be the only one, in caucus now who knows what it's like to get up at 2 a.m., to start a cold skidder and to run a chainsaw, as well. I'm a blue-collar guy. I understand your frustration and I do appreciate your testimony.

I'm going to go back to what we've heard time and time again over the course of the testimony of the value of the capelin in this whole fishery. Mr. Etchegary, I appreciate your honesty and your passion, but this is for the panel. If out of this study recommendations came up with respect to the capelin, would a moratorium on capelin be something that would be supported here so that we could build those stocks up again?

Mr. Jason Sullivan: Anytime you hear the word " moratorium", you take a step back. If there were proper signs and it was shown that the fishery had to stop, there wouldn't be any opposition from fishermen. This is our livelihood. We don't want to destroy it. For the most part, you have some jaded individuals who have a couple of years left before they sell out and they don't care what happens, but most people are proud of what they have done and they want to see it continue. If that's the case...and I don't think it's in that dire condition, because a lot of times the capelin don't come ashore. They may stay offshore, and the bottom line is that no one has studied them to see that. If the recommendation came down and that was the case, then it's hard to argue with sound science.

Mr. Todd Doherty: Okay.

The Chair: Go ahead, you have two and a half minutes.

Mr. Mel Arnold: Okay, that's probably more than enough time. In the opinion of the three on the panel, would fisheries management of the capelin stocks be capable of manipulating those stocks to a stable level, or is that simply a matter of environmental conditions?

● (1710)

Mr. Ryan Cleary: From my perspective, the most important thing that the members of this committee can walk away with—when you leave Newfoundland, when you leave St. John's, and Fogo, and Port de Grave—is the fact that DFO is not doing its job. The Government of Canada is not doing its job with management and science. The scientists are not there. The science is not being carried out. The ships aren't available to carry out the science. It's not being done.

It's been said that the most substantial change to fisheries management over the past 24 years since the northern cod moratorium came down was the elimination of the double-hook jigger.

Mr. Mel Arnold: Okay, I want to go back to my question, if we can. Are we capable of managing capelin, or is that an environmental —

Mr. Ryan Cleary: I am answering your question by saying the science is not there to answer your question about capelin in the first place.

Mr. Gus Etchegary: There is every evidence that the capelin stock is overfished, but that's not sufficient. The science capability should be there to determine that. Then if it's determined, as he says, then you do it. Why go out and satisfy a few Japanese people with the roe from capelin and kill thousands of male capelin that are useless to the process? That's a question that's never answered.

Mr. Chair, if I may, I gather we're at the end, are we?

The Chair: We have one question to go with a few minutes left, so with permission, we're going to go to Mr. Johns.

Do you want to interject with something?

Mr. Gus Etchegary: Yes, I just wanted just one sentence at the end, and that is this.

Unless and until fisheries management improves, until DFO carries out its mandate to rebuild a scientific capacity and manage the fisheries back to life, I think we're in real trouble, and I don't believe that under the present structure this will happen.

The Minister of Fisheries.... I'll give you an example—

The Chair: You're about six sentences in now.

Mr. Gus Etchegary: Okay, but let me say this to you.

The Chair: I have to go to Mr. Johns.

Go ahead, quickly.

Mr. Gus Etchegary: After all the years that we suffered through this overfishing by foreigners, finally, extension of jurisdiction came, 200 miles, so we got rid of them. Thank God. The northern cod and the others would now have a chance to recover.

Six months later, after the extension of jurisdiction, the Minister of Fisheries for this country offered a subsidy of $23,800 per trawler trip for the Canadian trawlers to resume fishing off Labrador. That'll give you an idea of some of the decisions that were made.

The Chair: Mr. Johns, you have three minutes. Go ahead.

Mr. Gord Johns: I certainly understand what it's like not having boots on the ground. Talk about the cuts to DFO. Mr. Etchegary gave us a pretty good breakdown of what that looks like, and it's certainly the same on Vancouver Island in how that's affecting us.

Mr. Cleary, you started talking a little bit about enforcement and how that's affecting enforcement. Do you want to talk about that and how that's affecting stocks?

Mr. Ryan Cleary: I can elaborate on a point Mr. Etchegary made, and that is that when a foreign vessel outside the 200-mile limit is cited for illegal fishing, it's up to the foreign vessel's home country to follow through on penalty and discipline. When here in Newfoundland and Labrador we file, say, a federal access to information request to find out what penalties exactly were thrown at the Spanish, the Portuguese, or whoever's accused of illegal fishing, the answer we get back from the Government of Canada is that they won't release the information. The reason why they won't is that they say it could be damaging to international relations.

My response to that is, well, at what point do Newfoundland and Labrador relations supersede anything else?

In terms of enforcement outside the 200-mile limit, Mr. Etchegary mentioned the objection procedure. If any member country of NAFO doesn't like a quota that's set, they can object and unilaterally set their own. Northern cod is a migratory stock, inside the 200-mile, outside the 200-mile. The thing about fish is that they don't recognize imaginary lines in the sea, and NAFO—Jason mentioned earlier—is absolutely useless. It's useless. It's toothless. It does not have the ability to manage the quotas that it sets.

● (1715)

Mr. Gord Johns: Mr. Sullivan, would you like to add to that at all?

Mr. Jason Sullivan: Yes, I'll just back up what he said. We had our union leader on the NAFO. He's been commissioner for 19 years, and that's the best we got out of this. We have 15% of our turbot, you know. It's a money fish. If we had the 100 million pounds that they're catching, imagine the injection into rural Newfoundland that money could make. To see that someone steamed 3,500 miles to get it, when the boys from Fogo can go 30 miles and catch it, it's tough to swallow.

When Mr. Etchegary talks—this is the first time I've ever met him—you do start to fill up a bit, at least I do, because this wouldn't happen anywhere else. This wouldn't happen in Quebec or anywhere else where you have lots of seats. There are seven seats in Newfoundland, so basically.... I know how politics works. I'm on the municipal level and it's the same sort of deal. You have to go where you're going to get all the votes and you have to toe the line and stuff like that, but sometimes, you know what? You've just got to get up and dance on the table.

Mr. Gord Johns: Thank you. It's good to see you dancing on the table. You're doing it. We're with you, Mr. Sullivan.

The Chair: Gentlemen, thank you very much.

Mr. Sullivan, thank you for your heartfelt comments.

Mr. Cleary, thank you for your experience.

Of course, Mr. Etchegary, thank you, sir, for your experience and what you brought here today in your testimony. We truly appreciate it. Thank you again.

This meeting is adjourned.