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## Standing Committee on Fisheries and Oceans

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**Tuesday, November 7, 2006**

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**Chair**

Mr. Gerald Keddy

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• (1115)

[English]

**The Chair (Mr. Gerald Keddy (South Shore—St. Margaret's, CPC)):** I call the meeting to order pursuant to Standing Order 108 (2), the study on the issue of new rules for boat stability, and in particular the matter of the fishery boat length requirements.

We welcome our witnesses to the table, members of the audience, and certainly the members of the Standing Committee on Fisheries and Oceans.

I think we have a couple more people who are going to appear, so maybe we will get started in the interests of time.

We have Mr. John Gillett and Hedley Butler.

Mr. Gillett.

**Mr. John Gillett (Fisherman, Twillingate, As an Individual):** I'm going to touch briefly on boat safety. I'm not going to talk too much about stability.

What I'll say is, in order for a fisherperson to keep his or her boat in good and safe condition, he or she must have money. Therefore, DFO should give us an amount of quota that is good for us to maintain our enterprise, so that we will be able to buy new equipment for our boat, put safety equipment aboard our boat. Right now, our enterprises are really getting hit with low quotas and low TACs.

Back in the 1970s, fishing incomes were way down and the vessels that we had were in very bad condition. Sometimes fishermen had to take shifts to keep the water out of their boats. And the reason for that? They didn't make any money. They got 2¢ or 3¢ a pound for their fish and they weren't able to maintain their vessels.

When the fishers' income became higher and vessels were made better and safer, crab was up to \$2.50 a pound. You saw the difference in the vessels, how nice they looked, the amount of fibreglass that was put on them and the safety equipment that was aboard them.

I heard the Canadian Coast Guard remark, "We must be doing a good job. We're teaching the fishers in safety courses how to do it." That has something to do with it, no doubt, but money is the main reason that they're able to afford safety equipment aboard their vessels.

We're headed down that same road again. We do not have the money to keep up with the safety regulations, because of low

individual quotas and the total allowable catches. So we have to have quotas in our enterprise to be able to keep our vessels in safe condition.

That's all I have to say on that. Thank you.

**The Chair:** You're welcome.

Mr. Butler.

**Mr. Hedley Butler (Town Councillor and Fisherman, Bonavista, As an Individual):** I don't have a written presentation, but I want to make a few comments on stability.

Back in 1997, I had a boat at King's Point. To get that boat built, I had to get some specifications from the government to give to the boat builder to make sure she was constructed right. After bringing that boat back to Bonavista, and then, after she was seaworthy, getting another inspector to come aboard from the government agency and inspect the boat, I had to do more modifications to the boat.

What I'm saying on stability is, are we all singing out of the same book? She was okay to be built at King's Point, and she was inspected down there and everything was okay, and when I got back to Bonavista the boat was not up to specifications according to another inspector. Do these inspectors have different books for different areas, or different regulations for different areas when it comes to safety aboard the boats?

Another thing in looking at the stability of the boats is that fishermen, in this day and age, have to go off a lot farther. When I first started to fish, it was only under the shore. I had cod traps. Now we're going up as high as 270 miles in boats 64 feet 11 inches in length. With these boats, you have to have something there—what we call "under your feet"—to be going off that far. If you get caught in a storm or wind, or something like that, you need that. There is no doubt about it, stability is a big thing. We have to train a lot of people about stability, especially in the fishing industry, because a lot of people don't understand. A lot of people do understand, but I think a bit of training on stability would be a safety factor for us guys who are on the water and steaming a long way.

Mr. Chairman, that's all I have to say.

• (1120)

**The Chair:** Thank you, Mr. Butler.

Mr. Watkins, did you have a presentation or a few points you want to make?

**Mr. Ted Watkins (Fisherman, Cottlesville, As an Individual):** I don't have a presentation, Mr. Chairman, but it was short notice. I happened to be fishing, and today is the day I'm not out, so I came in to take in the meetings.

Seals were a concern, but stability is a big thing. I operate a fishing vessel of 64 feet 11 inches, which is as long as I can go. It was built 25 years ago, actually in Nova Scotia, and it's the sister ship of a line of ships that had stability tests done, but my particular vessel didn't have one. I got a letter about three months ago from Transport Canada advising me that I had to have a stability booklet for my boat within one year.

There's a snowball effect. Somebody in power makes a rule, but this has a snowball effect, in that I've checked around with the architects and am told that for all the vessels in Newfoundland and Labrador to get the proper stability booklets would probably take five years to implement. This is something like the federal gun registration: you implement it and then it's a mess, it's chaos. Nobody has thought it out.

The other factor in it is the cost. It will cost me at least \$15,000 to get a stability booklet on my boat—and that's a very conservative figure—at a time right now in the industry when I have about 25% of the income I had three to four years ago, because of a decrease in market prices, a cut in fish quotas, and the booming cost increase for fuel. I'm actually earning right now about 25% of what I earned three to four years ago, and that's a fact. To bring those costs down on your head at this time in the industry.... I know we can't ignore safety, but there's no help there.

The other part of the snowballing effect is that I'll be told within one year that I have no CSI certificate; it won't be valid unless I get this booklet done. Then I'd have no valid certificate, but I have a mortgage on my boat. The condition on the mortgage on my boat is that I have to carry insurance, and the condition of my insurance is that I have to have a valid CSI certificate.

So do you understand what they're really doing? Somebody said you have to have this done, and I find out I can't get it done in five years, and then all those other things fall apart: the insurance is invalid; the mortgage will probably be recalled. So it's a snowball effect.

Stability is very important in all vessels, but we're also into a multi-species fishery. This fishing season, I'm on the fourth lot of gear that I've installed on my boat. I start sealing, and that's a type of gear you use on your boat. I'm involved in the crab fishery, so all that comes off when I start whacking crab pots on her. That's another fishery. I'm a shrimp dragger, so that crab gear comes off, and I install shrimp gear on it. Now I'm seining for mackerel, so all that is taken off for trolling on the rocks, and I'm fitted out with another lot of gear.

Quite frankly, when you're involved in so many different types of fisheries, a simple stability book put in my hand is not going to mean a lot. There's a lot more involved than some architect drawing up a stability book.

You're going to have to take a look at what fishery you're involved in, and of course that's where the size of the vessel comes in, and this is where the stability problem is, in that every boat that's being built

is restricted to 64 feet 11 inches. We're reaching out, trying to make them wider and deeper, and we're compromising stability. I don't know, when you get to 64 feet 11 inches, whether you can ever get a stable boat that you're going to go 150 miles offshore with to fish shrimp. You can look at our own Canadian offshore fleets with 300-foot boats and look at the foreigners and everybody with 300 or 400 feet. We're out there fishing the same waters, in the same conditions, with a boat that's 64 feet 11 inches.

That's about all I have to say. Thank you for your time.

• (1125)

**The Chair:** Thank you for your time, Mr. Watkins, and the rest of our presenters. I know our members have a number of questions, so we'll start immediately, with Mr. Matthews.

**Mr. Bill Matthews (Random—Burin—St. George's, Lib.):** Thank you, Mr. Chairman.

Thank you for coming, gentlemen.

In his last few comments, Mr. Watkins basically touched on what I was going to ask about when he talked about the different fisheries that he participates in. Each fishery is different, and it has different effects on your vessel, I would think, depending on the type of fishery it is.

You're restricted by the length of your vessel. As a result of that, people have gone to modifying their vessels, as you said, in width and by going up higher. We've seen some very tragic situations in our province in the last little while. People say they were caused by vessel instability, but I guess they're still being investigated and studied or something or another.

I think the dilemma for the government has been that DFO will say that if we let them go to the vessel size they want, then the demand is going to be for more resources, because the vessel expenses are going to be higher. So that's what you get coming from DFO. We can't let them go to bigger boats, because then they're going to be yapping for more fish, but where are the fish going to come from, blah blah blah.

My take on it is that if you're a true enterprise, if you're a business, and you decide to go to a bigger vessel for safety and stability reasons, then you will suffer the consequences if you can't pay your bills. That's my belief.

So in a roundabout way of getting to a question, do you think government should free up your boat size and let you go to something longer and bigger if you so desire, with you taking on the consequences? Is that the answer to it, or is there something I'm missing?

**Mr. Ted Watkins:** I think it certainly will help to free it up. One of the biggest concerns on the stability thing is that they throw the stability thing at us like they did in my letter, and it must be done within a year. For a boat I've been operating for 25 years, that's not going to change my situation for the future, but it will for building new boats.

It doesn't matter. They say everybody has to have it, so I have to have it, and they're not going to go back through the years. My boat's been fishing for 25 years and I haven't had an accident. I'm hoping I don't have one tomorrow, but I'm very comfortable with the stability of my boat, so I really don't know why I have to all of a sudden, at this stage of the game, be thrown into a pile with everybody and have to go get my boat done. It's more or less paperwork.

But to your comments on the future, on the building of new boats, the relaxing would greatly help. It would be good. My concern, though, is dealing with the past, because I'm in the past. I'm not into the future yet. I think every new boat built, whether she's 64 feet 11 inches or what, should have a stability test. I think we could start with the present. But the problem we have is how to deal with the past. How do I get a stability test done in one year when it'll probably take me five years to get around to finding an architect? I also have money costs. There's an economic cost that I'm concerned about.

So on your comments about the present and whether we should allow them to lengthen out the boats, if that's what it takes to pass the stability test, sure, you should lengthen them out. But if they can't pass it, then the boats shouldn't be built anyhow. It's a matter of what we do now and in the future that should take care of it. But how do we deal with the past?

**The Chair:** Just as a point of clarification—it won't come from your time—you said your boat was built 22 years ago.

**Mr. Ted Watkins:** Yes, that's correct.

**The Chair:** All right. And it's 64 feet 11 inches?

**Mr. Ted Watkins:** That's correct.

**The Chair:** How wide is the beam?

**Mr. Ted Watkins:** It's about 21 feet.

• (1130)

**The Chair:** So that's 21 feet on 64 feet 11 inches. What's the height? That's the depth of the boat in the hull itself from the bottom of the keel to the top of the wheel house.

**Mr. Ted Watkins:** It's about 8 feet for the deck.

**The Chair:** The deck is about 8 feet. And for the boats that are being built today in the 64-foot 11-inch class, what would the width of most of those boats be?

**Mr. Ted Watkins:** In the 64-foot 11-inch class, I don't know. Boats presently are 30 feet in the beam, so that's 8 feet wider than—

**The Chair:** Than your boat. What would be the overall height from the bottom of the keel to the top of the deck on a lot of them?

**Mr. Ted Watkins:** Well, the decks won't be a terrible lot deeper. It's the superstructure that they stick on top, and the gear. Mine is basically a one-storey boat above the deck. You get them going to two, and they've even gone to three. So you're packing the superstructure on top, and that's what's causing a lot of the problems right now.

**The Chair:** I'm not trying to put words in your mouth, but they could be as much as 8 or 10 feet taller.

**Mr. Ted Watkins:** That's correct, yes. They are. There's no doubt about it.

**The Chair:** Thank you very much for that. I think we just needed that for François and for my own information.

Mr. Byrne, sorry for the interruption.

**Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.):** Those were good points of clarification, Mr. Chair.

I just want to talk to you and then get your points of view.

There are two complementary forces. Transport Canada regulates for safety, regulates design, and has no real interest in fisheries management, but DFO actually manages vessel construction and vessel size for conservation purposes. In other words, they limit you at 34 feet 11 inches, 39 feet 11 inches, or 64 feet 11 inches to try to control fishing efforts.

One thing that has been raised by DFO is that if they allow vessel length to change, if they basically have an open policy on vessel length, notwithstanding the safety issues, then you guys, for your fleets, would basically spend an awful lot of money on building bigger boats or putting extensions on your boats. That expense would force you to demand extra quota, and that's why there's a reluctance on the part of DFO, if I understand DFO correctly, to change or amend vessel replacement rules and vessel length rules.

Ted, would you and Hedley and John be able to describe to me...? So they're saying that they are containing capital investment expense by keeping the restrictions in place. Have your fleets in the last while spent a lot of money anyway on gearing up for new fisheries, whether it be shrimp or pelagics, which now seem to be coming on stream, and instead of going lengthwise, you're going upwards? In other words, you've already spent an awful lot of money—your fleets, not necessarily your individual boats—gearing up for shrimp and other things, and therefore that whole argument is somewhat invalid.

John, do you want to answer?

**Mr. John Gillett:** Yes. I had to cut 18 inches off my vessel for the DFO regulations. That cost me anywhere from \$5,000 to \$8,000. I got the rudder stuck out on the back of her, and I had to put two feet on the keel for the regulations.

I can't see a problem with that. If someone has an IQ for a fishery, what difference does the size of the boat mean?

Where there's an open quota, then there should be a trip limit. Say I've got a 64-foot 11-inch boat and Hedley's got a 40-foot boat or 45-footer. If the trip limit is 50,000 pounds, then that's all he's going to be able to bring in, even if he's got an 80-foot boat. He'll only be able to bring, on one trip, that 50,000 pounds.

Wouldn't that eliminate all of this problem? I know it would be an advantage if everything was left open. I've got a 34-foot boat, and if somebody's competing with me in a 60-foot 4-inch or 65-footer, I'm not going to be able to go through the ice like he can.

So it can't be left open to that kind of quota, but it could be a trip quota.

**Hon. Gerry Byrne:** Right, John. I agree with you, and you made the point very well. But my question is this. DFO has basically said that in order to control your over-investment in your enterprise. If you go out and put \$300,000 on a boat, over and above what you had before, then you have a \$300,000 extra payment that you have to make. Therefore, you're going to demand more fish to be able to make that payment.

My question is, have your fleets—

**Mr. Hedley Butler:** That's already being done.

• (1135)

**Hon. Gerry Byrne:** Hedley, just respond to that, if you wouldn't mind.

**Mr. Hedley Butler:** In 1997, we built a boat 44-foot 11-inch boat at King's Point, as I stated previously. We wanted to go to 52 feet. At that time, DFO said, no way, if we went to 52 feet, we would not be allowed to fish with that boat. The next year, another guy from my area went down and built one at 52 feet. So he's gotten into a bigger expense, with a bigger boat, and he's still at the same quota. That's just a way for DFO to get out of it, saying that we can't do this.

But open it up. I'm a firm believer that if you've got to open up the footage, then if I want to go to 80 feet and I've only got this amount of crab or this amount of shrimp to catch, that's all I get. I don't get any more; that's all I get.

I can build one of 200 feet if I can make my payments. That's up to me, but that's not being done. Well, that's already being done. The regulations state 44 feet 11 inches, but there are fellows who've gone to 52 feet, and there are fellows who've up and gone farther than that. But they make some more there, as you said, and they make them all year.

But we were already into that, right, John? We're already there.

**Mr. Ted Watkins:** And what they've done, to answer Gerry's question, and it's true, is spend the money, because they built the boat and got the volume in depth and width and they compromised the length. And this is where the stability comes in, with the length of your boat and your depth and your width. Your length is just as important as the depth and the width. But when you cap the length, and there's no cap on the depth or the width, you get an unstable boat.

And I stand just to speak for... I'm not a statistician, but I'm willing to bet that the biggest problem in stability accidents in Newfoundland and Labrador in the last 10 to 15 years has happened in the newer-built vessels.

**Hon. Gerry Byrne:** Okay.

**The Chair:** Thank you.

Monsieur Blais.

[Translation]

**Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ):** Thank you, Mr. Chairman.

Getting back to what you just said about the depth of vessels, I have the impression that people are looking for a magic bullet. What's the issue here: the length, the size or the height of the boat? As you mentioned earlier, many different types of species are being fished. Therefore, it's more important to adapt than ever before. Vessels are used to catch various species.

What is the key to making the boats safe? Ultimately, that is the goal. Stability means safety. Is the length of the boat a factor, or is it a combination of height, size and length?

[English]

**Mr. Hedley Butler:** My answer to that question is very simple, and that is to lift the restrictions on the length of the boats. Don't have any restrictions there at all. Whether it is 34 feet 11 inches or 44 feet 11 inches, whatever size of boat the fishing people want to go with, that restriction should be lifted, and they should be able to build a boat the size they want.

**Mr. Ted Watkins:** I didn't get his questions. I'm not a very good technician, and I'm even worse in French. So I apologize. I didn't hear the conversation.

[Translation]

**Mr. Raynald Blais:** I'm trying to understand how you can best address the current problem of boat stability. As you mentioned earlier, many different species of fish are being caught. Therefore, boats must be able to adapt to different conditions.

What is the key to ensuring the stability of the vessel? Stability and safety go hand in hand. In your opinion, what is the most important factor? Earlier, you mentioned the height of the boat. Are there any other considerations? How can this problem be addressed?

• (1140)

[English]

**Mr. Ted Watkins:** Basically, I'm into a multi-species vessel, and yes, it causes some problems with stability when you're changing gear completely. But when you're capped on the length of your vessel, that's where you run into problems. You can make them wider, you can make them deeper, but you're capped with your length. So probably if I could go 20 feet longer and have a boat that's not quite as wide and not as deep and not as high, I mean, that vessel would probably meet vast stability booklets to pursue the fishery I want to pursue. But at her size, and when I'm capped in the length, you run into a problem.

It's a rule of thumb in the fishing industry. I understood that you should never go any more than one-third of the length of your boat in your width. That's the max. And when we're building boats 30 feet wide and 65 long, we've gone way beyond proportions.

So I would suggest the length of the vessel.... At that time, you probably will be able to start constructing vessels that will meet stability tests. I maintain that the problem with stability is in the bulk of the boat, the way it's constructed. You'll probably end up with the same carrying volume as the guy who has the 65-foot 11-inch boat that is built 30 feet wide. If he built himself an 80, that could probably be a 90-foot boat at 30-feet wide. And at that point, she's probably a very stable boat.

[Translation]

**Mr. Raynald Blais:** Have you done any kind of assessment of your boat that you have modified or modernized to some degree? Have you done an assessment for stability?

[English]

**Mr. Ted Watkins:** I haven't done any assessment for stability. We go with the fishery and what we're allowed to get. You get cut in quotas. You get a quota, like a crab quota. This year I got somewhere around one-third of the quota I had three years ago.

We were into the cod fishery. In 1992 we lost all that. We have none of that left. For the turbot fishery, as you know, the stocks have been going down and are being cut. So when I get into other fisheries, like mackerel seining and the shrimp industry, I basically do it out of necessity.

I try to do what I can to survive. It's a matter of survival. It's probably not a matter of choice for me to take my boat, which was never built for shrimp harvesting, and go offshore 150 to 200 miles and drag shrimp. Quite frankly, she was never built for it. It's necessity. I suppose I'm breaking the rules and should be taken and chucked away somewhere, but I'm doing it out of necessity to survive in the industry. Governments and DFO haven't provided me with the haddock and stocks for the boat I've got, to keep it to survive. I have to turn somewhere else. I have to turn to other species, and that's where I run into trouble.

[Translation]

**Mr. Raynald Blais:** Are you in favour of Transport Canada's proposal to bring in a stability booklet?

[English]

**Mr. Ted Watkins:** I don't think that stability booklet is really going to change it. I think for the present and the future, for all new vessels built, there should be very tight regulations on it. But if it can't pass the test for stability, then I'm basically out of the fisheries. I don't know if the stability will do it.

I look at the space shuttle program in the States. They have the best technology, they're not short on money, they have the best equipment, and they devise a shuttle that, when it goes up, blows up, and probably does that with a stability test. If you've got a stability test, it's not going to ensure that you're not going to have an accident. It probably will help, but it's up to the operator of that boat. If he's going to defy weather, overload the boat, stability test or not, he's going to get into trouble. I operate my boat on my own knowledge and my experience and hope to hell that with my experience and my knowledge I make the correct decisions.

• (1145)

**The Chair:** Mr. Manning.

**Mr. Fabian Manning (Avalon, CPC):** I have a couple of quick questions.

Yesterday we heard a comment that 80% of mishaps go back to human error in some way, shape or form. You touched on it. I guess riding the wave takes on a whole new meaning when you take a chance on the water.

For the past number of months, a couple of years, I guess, Transport Canada has been developing new fishing vessel safety regulations. Mr. Watkins, you mentioned you received a letter stating that you had to have a booklet. We're hearing kind of a mixed message, that in some cases there's not a whole lot of consultation in some areas in relation to these regulations that are forthcoming. They're to be gazetted sometime in 2007. The new rules will be put out, supposedly after these consultations have taken place.

From your perspective, how much input have you had, as harvesters yourselves, into the study or the process that is in place now in relation to the new regulations that will be forthcoming on vessel stability?

**Mr. Ted Watkins:** We haven't had too much input. I was talking to the president, Mr. Keddy, this morning, and he told me that he'd been warning us for three or four years. I must say, I study and I read newspapers from Nova Scotia. I have seen his name in the paper and I've seen some of the stuff he's written. This has been ongoing.

But you're in a bureaucratic system. We're organized as fish harvesters and we're covered by a fishermen's union. The government sends DFO out and they meet together. Quite frankly, the grassroots of the industry have very little to say and don't really get involved. It happens more at the boardroom table with the president of the union, or the vice-president of the union, and you probably get a couple of government officials. They sit around, and the grassroots of the industry are not being heard from, quite frankly. We have very little input.

**Mr. Fabian Manning:** Hedley?

**Mr. Hedley Butler:** No, I had no consultation with anybody, none whatsoever. Nobody contacted me. I don't know about John—

**Mr. John Gillett:** No.

**Mr. Hedley Butler:** —but I never had any.

**Mr. Fabian Manning:** There was a meeting held here in Gander last April.

**Mr. Hedley Butler:** Last April?

**Mr. Fabian Manning:** Were you aware of that?

**Mr. Hedley Butler:** No.

**Mr. Fabian Manning:** I'm just trying to figure out for myself how much consultation is taking place, because these rules are going to have an economic impact.

Look, we all agree with safety. Nobody goes on the water unless.... It's the most dangerous job in the world, and we all want to be as safe as possible. But the new regulations coming in with regard to vessel stability will cost fishermen money in terms of boat upgrades to meet the stability requirements. I'm just trying to determine for myself how much consultation is taking place. I'm trying to get a view on that.

One of the concerns being raised is with regard to the effect of consolidation of licences. By addressing the safety concern and the stability concern, there's another concern, that eventually you're going to have the possibility of more people coming together on one boat, just in terms of free enterprise and the economic impact of your trying to extend your boat or get a new boat that's 80 feet long. An opportunity may arise where you'll be allowed to buddy up licences. There seems to be a concern in some parts of the industry in relation to that, especially when it comes to small boats under 35 feet, or under 34 feet 11 inches.

Are there any comments on that in relation to how that will be addressed? A lot of people in my home area, down in the southern Avalon, have a big issue with crew members. You just can't get them. The fellows have boats tied up. They're going out on one boat for four or five days and then coming back to take another boat because they can't buddy up at the present time.

Would that be a positive thing, from your point of view, being allowed to buddy up or to consolidate some of the licences, in relation to safety as much as economics?

**Mr. Hedley Butler:** I don't know whether that would be a good idea or not. As I said this morning, Bonavista was a community of 5,200 people, and now we're down to about 4,000. If you look at the crew issue, if John and I and this gentleman here buddy up, well, that's three crew members out on one.

Where do you draw the line, right? It could be good for some people. A family with three licences could combine their licences. To me, though, looking out there as a crew member... As a skipper, you're no good if you haven't got a crew. You're eliminating the crew member, and that's what I don't like about it. You're putting people out of jobs.

I don't know about John or someone else.

• (1150)

**Mr. Ted Watkins:** I think we have to look at the stability issue. If we combine the crew and combine licences, that would probably give us enough fish to catch to build the type of vessel that would pass the stability test. The problem with that right now is that with the fish I have to catch, I can't go and build a vessel. With the fish I have to catch, I don't think I can have the type of vessel that would meet the standards. I haven't got the fish to catch.

Some way, if we're going to fish, there has to be enough fish there to build a vessel that meets the safety standards. How do you get it? There has to be a way.

**Mr. John Gillett:** I think there should be a reduction in the fish harvesters out there, through a buyout or early retirement. The rest of the quota would go back into the system, where an individual could run his boat.

There are too many harvesters out there for the amount of fish out there.

**Mr. Hedley Butler:** Probably we should be looking at it this way: if John is willing to retire, the government should buy him out, take his quota, and put the quota into a pot; then all the other fishermen, like me and this gentleman here, could go in and get a piece of that.

Do you understand what I'm saying?

**Mr. Fabian Manning:** Yes, and it gets back to the situation that Mr. Matthews and Mr. Byrne raised earlier in relation to providing a vessel that's considered to be safe in the water, and then in a year's time looking for more quota to be able to pay for that vessel. That seems to be an issue.

I think I heard you say that you received a letter saying that you had to have a stability booklet within the year, and that you estimated it would cost \$15,000 for your vessel. Do you know some of the things that you would have to do with your vessel to meet that requirement at the present time?

**Mr. Ted Watkins:** I may not have to touch one thing in this earthly world. The \$15,000 is just a fee to get her on dry dock and get the marine architects to draw all the proper lines and do the actual tests. We're not talking any modifications. That's what it costs just to get the test done.

**Mr. Fabian Manning:** Just to get the test done.

**Mr. Ted Watkins:** Just the test, yes.

**Mr. Fabian Manning:** Holy Harry, \$15,000.

**Mr. Ted Watkins:** We haven't got into any modifications.

**Mr. Fabian Manning:** If he comes back with a list that you need to fix things. That could add on another—

**Mr. Ted Watkins:** She might never pass. She may have to be scrapped. I don't know that.

**The Chair:** Thank you, Mr. Manning.

There's time for a quick question, Mr. Lunney.

**Mr. James Lunney (Nanaimo—Alberni, CPC):** I think I heard you say that your vessel was one of a whole group that were built in Nova Scotia. Probably you could test the group, if they're of a similar design and you can demonstrate there haven't been major modifications, and save you a whole lot of that cost. I think there's been some discussion about that.

Is that something that's been discussed as far as you're aware?

**Mr. Ted Watkins:** Well, there hasn't been any confrontation done. We were questioned, and no, we haven't been part of it. When the boat was built in the yard, they built what they call a basic model, the first boat put out, and that boat was tested. Then my boat basically is a sister ship.

Maybe they had 10 more sister ships—I don't know—but this particular boat hasn't got a stability booklet. The letter from DFO doesn't say the sister ship should have one or anything. It says that my boat has to have a stability booklet. And you're suggesting that if you tested certain models of boats and then each one did... I think you're correct there. You could do it that way, but—

**Mr. James Lunney:** It might be a big help to someone like you if there was a whole group.

I have another comment. I want to go back over this. Someone made the comment—I believe it was you, Mr. Watkins—that you're willing to bet the majority of accidents in the past several years are newer-built vessels. Added height, I think, is the issue here.

In your opinion and experience, have there been instances of rollover or loss of life at sea related to these height conditions because of modifications with the restrictions on 35 feet and 65 feet, basically? Is it something that's being discussed at the grassroots levels you're referring to. Is one crew of fishermen saying, "We'd rather not go out on that boat; look at the height of that sucker?" Is this something that people are actually aware of at the grassroots level?

• (1155)

**Mr. Ted Watkins:** Oh yes, quite aware. You see those boats come off the shipyards, and they're new boats and they cost a lot of money. Actually they could probably build cheaper boats if they went with a longer length and wider. I don't know, but these are not cheap boats. They cost a lot of money—\$1.5 million or \$2 million, \$2.5 million is the going price for a 65-footer today. And yet when they come off the dock, yes, learned and experienced fishermen look at them and say they want nothing to do with that one.

And you wonder how they pass stability tests. Or are they having stability tests?

**The Chair:** Thank you, Mr. Lunney.

I know some of our members will still have questions. Do we want to try a round in which, if someone has a question or two, they'll ask it? We'll try to keep them brief and give anyone a chance who hasn't asked a question to ask one.

**Hon. Gerry Byrne:** I have just a quick question.

Ted, do you find that most of the consultations on these kinds of things occur in the fishing season or in the off-season?

**Mr. Ted Watkins:** Mostly in the fishing season, when we're busy flat out, you find out all those meetings are going ahead.

**Hon. Gerry Byrne:** Thanks.

**Mr. Hedley Butler:** And they happen away from the community that should be there. What I'm trying to say is that last year this committee met in Bonavista. All right. How many fishermen are there in Gander? I had to get up this morning at five o'clock to drive here to Gander.

What I'm saying is, go out to where the fishermen are too, so we can get our input into it.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-  
sor, Lib.):** This has already been touched on and I just want to bring it up again. The issue yesterday was that even if you bring in the flexibility that we want in this industry to build the boat that we want, we just can't afford to do it, and we need a bigger catch to do that—in other words, the amount of capital. We were told in Ottawa that one of the reasons they didn't want to do this is that fishermen would over-capitalize—I think that is one of the terms they used—basically they'd borrow too much money that they're unable to pay back, and you know what happens then.

But as Norm Cull pointed out yesterday, they already know that, and therein lies the problem. We had a boat builder yesterday who actually said, look, all our specifications in our buildings and our business are built around regulations, not around an actual business, such as whether you like this boat or prefer this boat, or if this is the

type of species you're going after, that's the type of boat you want. It was all built around specifications.

How can this man export a product outside of Canada when they don't have the same regulations, and when in many cases the same regulations don't apply coast to coast—B.C. to Newfoundland and Labrador?

Could I get you to comment on that again, about the fact that to change now is going to be a very expensive endeavour.

**Mr. Hedley Butler:** Scott, we're going to have to change because the industry is dictating to us to change. Right now there are fellows who had to go and change their boats. They had to put freezers in their boats and water tanks in their boats to carry the crab, to keep the crab alive. So we're going to have to change.

I'm sick and tired. I've been around a good many tables, sitting down, and I'm sick and tired of this regulation that the government says they've have to put in there. We can't change the footage because a bigger boat means a bigger appetite. But the appetite is up to the fisherman. If DFO comes out and says, guys, listen here, if you want to build a boat 100 feet long, your quota stays as it is.

**Mr. Scott Simms:** So what would you say to them? If you're worried about my going after more fish, you don't need to worry? Is what you're saying?

**Mr. Hedley Butler:** That's right.

**Mr. Scott Simms:** What would you suggest to them instead of restricting your vessel?

**Mr. Hedley Butler:** I'm not understanding the question. Come by me again.

**Mr. Scott Simms:** If they're saying to you, look, you have to keep your vessel this size because we fear that you're going to catch more fish, or you're going to keep demanding a bigger catch.

• (1200)

**Mr. Hedley Butler:** What would I say to them? I'd say, I made it clear to you that when I made a request to get a bigger boat, I wasn't going to demand any more quota. But if there's something comes on stream, I'll be entitled to get more, just as you'll be able to get more.

I want to stay where I'm to, within quota, but I want a bigger boat. This year I bought a bigger boat; my boat was 37 feet long. She was the old-fashioned trap skiff, and I couldn't do what I wanted to do in her. So I bought a boat that's 39 feet 4 inches long and 17 feet wide, and she's as good as a boat that's 45 feet long. I had to change, but I never got a bigger quota. If it ever comes up where I can get a bigger quota, I'm going to try to get it. But right now I have to stay where I'm to.

**Mr. Scott Simms:** If DFO says to you, we don't think you're conscious of safety...

What's that? You know the rule with me, right? I keep talking until you tell me to shut up.

**The Chair:** Try to be timely.

**Mr. Scott Simms:** All right, sorry.

DFO says to you, look, tomorrow morning we're going to lift all these restrictions and we're going to give you far more flexibility. What do you do then?

**Mr. Hedley Butler:** Right now, I do nothing because I already have what I want. I don't know about these gentlemen.

**Mr. John Gillett:** I'm staying where I'm to.

**Mr. Hedley Butler:** I'm staying where I'm to, right?

**Mr. Scott Simms:** Why is that?

**Mr. John Gillett:** I haven't reached the quota.

**Mr. Ted Watkins:** If I could, I would improve my vessel, and the only way I could do so would be to build a bigger or more stable one.

I'm not concerned about the stability of my boat, but I'm a baby boomer with a son coming tight to my heels who's involved in the fishery. He's been to school and has all his tickets and so on to run boats. Quite frankly, I don't see any future for him.

I think those are the people we should be concerned about right now—those coming behind us. The future for him is that he has to meet all those regulations and get the thing in place. He's going fishing 150 or 200 miles offshore. He needs a larger boat that will make it more stable and more comfortable, so he can make a decent living for himself and his crew members.

**Mr. Scott Simms:** That's the valid point here, I think.

**Mr. John Gillett:** We're at an age now when we should be looking ahead for the younger people coming up and give them a better environment for their work, instead of getting hung up on regulations and stuff. We're pretty well finished with this racket, right? At least we should put something in place for the people who are coming behind us, to have a safe vessel to work in, right?

**The Chair:** Thank you.

Gentlemen, quick question.

**Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC):** Thank you, Mr. Chair.

Thanks, gentlemen, for coming. I think you've given us some good information that will inform our discussion when we're trying to wrestle with these issues.

My understanding of this is that a few years ago, in 2002-03, DFO conducted a review of its vessel replacement policy and in fact came out with a new policy in 2003. I'm wondering if you're aware of that policy. Were you involved in anything or know what that policy is? Because it did change somewhat. Were you involved in any of that?

**Mr. Ted Watkins:** No major changes that I'm aware of.

There has been some movement in that they allow people with licences greater than 45 feet, and they cap the cubic number. They're letting you go to 64 feet 11 inches, but they cap your cube. There was a bit of juggling around, but to my knowledge, they haven't passed the barrier of 64 feet 11 inches yet. That has been there; that's entrenched in stone. Legally, no one has been allowed to move beyond it. If somebody did, it's not with the sanction of the DFO, I will tell you that.

That length problem is still there. It hasn't moved.

• (1205)

**Mr. Hedley Butler:** The only other thing I can remember about it is that you had a licence for 34 feet 11 inches, and if it was an old

boat, you could buy her up to 39 feet 11 inches, but she had to be an old one. You weren't allowed to bid on a new one.

**Mr. Randy Kamp:** My understanding is that it did allow greater flexibility on a fleet-by-fleet basis. There were certain principles that they required to be followed. One of them was that the fleet couldn't increase its capacity by changing the rules. So some adjustments had to be made.

For example, in the maritime region in the shrimp fleet, the fleet did decide that they would change their rule to go beyond the 64 feet 11 inches. So there are boats larger than 65 feet being used there, but they had to agree to allow for that. A certain number of core enterprises had to cease operation.

That was a new policy in 2003. I think it's only in Newfoundland that the 45 feet and the 64 feet 11 inches rule is still strictly in place. So you may want to take a look at that as a fleet to see how this new policy might affect you.

If it were opened up, do you think it's possible that one of the consequences would be more stress on the owner operator policy, which is under stress anyway? In other words, you'd be looking for other investors, and so on, to be able to pay for the new boat that you want. Do you have any comment on that?

**Mr. Ted Watkins:** I think there will be stress on it unless something is done. Both levels of government in Newfoundland and Labrador today are in confrontation with harvesters, and these are some of the things that are coming out. Our provincial government abandoned our loan policy, and that throws you at the mercy of the banks; and of course, you eventually end up at the mercy of the processors.

I think it has been suggested many times in meetings I've been in that the feds or provincial governments should get back into some kind of loan policy and set up funding. If you're going to allow a combination, set up the funding, not grants. What we are asking for are loans that we would have to repay.

I think the other suggestion to that is that they would have to take a percentage of the fish to pay off that vessel. In other words, if they give me a million pounds of fish to catch and lend me \$2 million, and then next year DFO mismanages the fishery and I have only \$500,000, then they only get half the money. If they're going to put the money there, they have to put their money where their mouth is.

The two things have to go together: the amount of fish that you can catch and the value you're going to get for it, and the cost of your loan. You can't go and borrow a couple of million dollars, and next year they pull the rug out from under you and give you no income. No business is going to operate like that. You're going tits up.

So yes, there will be stress unless two levels of government get involved financially and put a plan in place that will make it work.

**Mr. Hedley Butler:** I bought a new boat and I had to go to the bank to get a loan, but they wanted to know my income before they gave me the loan. They want their money back. They're going to get it back, right.

If you don't have enough to fish to put a piece on your boat or build a new boat or whatever, they're not going to give you the loan. But that's what I did.

**The Chair:** Are there any other questions, gentlemen?

Thank you very much to our presenters. I think some very useful information was exchanged here today.

Maybe in wrapping up I'll take a second to see if I can summarize some of the points that have been made here. DFO officials will tell us that if you build larger boats they will demand more effort and put more pressure on the fish stocks. More pressure on the fish stocks will put stocks in decline that are already under pressure.

In some fisheries that may be true, and I certainly have that in my own riding of southwest Nova Scotia, where there's a big lobster fishery, but it's still not an ITQ system. If you have 375 pots, you can set 375 pots. You can catch 50,000, 100,000, or 15,000 pounds of lobster according to the type of fisherman and the type of bottom you're fishing on.

Is it safe to say that the rules that were brought in 30 years ago to limit the amount of groundfish caught are no longer applicable when

you have individual quotas for all fishermen? I fail to understand what difference the length of your boat makes if you're allowed 50,000 pounds of fish or 10,000 pounds of crab—I'm just picking numbers out of the air. Where is the correlation to the length of your boat?

In recent years we've seen boats being built, and because they have a licence for a 44-foot 11-inch boat they have to make it as profitable as possible. So they've made the boat wider with more beam, deeper, and in some cases less seaworthy.

Is that an oversimplification of the facts, or is that close to what has happened?

● (1210)

**Mr. Hedley Butler:** Yes, that is close.

**The Chair:** Thank you very much.

The meeting is adjourned.

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