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Chair

Mr. Rodney Weston

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● (0805)

[*English*]

The Chair (Mr. Rodney Weston (Saint John, CPC)): I call this meeting to order.

Ladies and gentlemen, thank you for joining us today here in Moncton. The Standing Committee on Fisheries and Oceans, as I'm sure you're well aware, has been studying the snow crab industry in Atlantic Canada and Quebec, and today is our fourth and final meeting. We've been travelling around Atlantic Canada and Quebec, and we certainly look forward to your comments this morning.

Mr. Bevan, I believe you're going to make opening comments this morning.

Mr. David Bevan (Assistant Deputy Minister, Ecosystems and Fisheries Management, Department of Fisheries and Oceans): Yes, I will. I'd like to introduce my colleagues. Joan Reid is area chief, conservation and protection for eastern Nova Scotia. Mikio Moriyasu and Marc Lanteigne are from the gulf fisheries centre. They are looking at the issues of crab science, so they should be able to help you with respect to that.

I'll make a few opening comments and try to keep them brief. I'm sure you've heard many in the course of the last few days.

In Canada, snow crab is harvested and processed throughout the east. As you are well aware, Nova Scotia, New Brunswick, Newfoundland and Labrador, Quebec, and Prince Edward Island are all involved in this very important fishery. We produce about 50% of the world's production of snow crab. Notwithstanding the very significant declines in the population in area 12 this year, our overall production has not altered that much. So it's around 70,000 tonnes, and that's the situation again this year.

As I said, we have about 50% of the world's production. Notwithstanding that, we are still a world taker of price, not a setter of price. We are not structured in a way that allows us to actually control markets. We are under the control of significant middle people in the market. We sell most of our products in Japan, and our most significant market is the United States. But brokers are the ones who are controlling that and the price, etc., and we're price takers in the marketplace. Right now we get between $1.30 and $1.70 per pound for the product, and it's sold on the world market for about $4 a pound retail.

Commercial fishing for snow crab began in this area back in the 1960s, as significant stocks were discovered. It developed throughout the 1980s. In the 1990s it entered a period of rapid growth, where we saw the stocks develop very significantly throughout Atlantic Canada. We also saw at that time the decline in groundfish. Given the situation with the decline in groundfish and the growth in shellfish—and at that time the price was very high—ministers were pushed to take people from the groundfish fishery and introduce them into the crab fishery.

The resource peaked around 2002 across Atlantic Canada. In the gulf we had a peak in 2005, but that was part of the natural cycle. In 2009, catches were worth about half a billion dollars. It's the second-largest industry in Atlantic Canada after lobster, which is around $750 million. We have around 750 licences currently in the Maritimes and Quebec and 3,400 in Newfoundland and Labrador.

We face difficulties in this fishery on two fronts. First are economic factors. The dollar is at par, we have high input costs for gas and bait, and we have a lot of competition from Alaska and Russia. Secondly, snow crab goes through cycles of abundance, particularly in the gulf, where in about a 10-year period it goes from peak to peak or trough to trough.

Unfortunately, this time the cycle is low at the same time that costs are high and prices are low. So having low abundance and low price at the same time has caused so much hardship. We expect this trough in the gulf to last into next year. Then we hope—if all things are equal and we don't see a change in natural mortality—it should start to increase again in 2012.

● (0810)

We've been here before in this kind of...you know, 7,700 tonnes is very low. We were at 8,000 tonnes a few years back, and we have climbed to an abundance of 30,000 tonnes on that cycle. We're hopeful we'll be able to manage this cycle through prudent and precautionary management.

We conduct scientific surveys in the gulf in particular, and the long series of data provides us with good information on the abundance, not only of what's fishable biomass but also on the prognosis for the coming years. It's sound advice that we've been able to use in the management of the fishery over the last number of years.

With snow crab we have two ways to protect the stocks. First, of course, is TAC and quota. We set a TAC based on the fishable biomass and an exploitation rate for that biomass that establishes the TAC. In addition, we also have the benefit of using the dimorphic nature of this beast. The crab is such that mature males are very much larger than mature females, and we can target the mature males fishable biomass for the markets and avoid the females and the juveniles. We have the use of mesh size in the traps to allow the large males to be retained and the smaller females and the juveniles to escape.

We only keep males over 95 millimetres, and those are the males that are in their terminal moult. They've been in the population for about eight or nine years when they reach that stage. They moult for the last time and they're then in the fishery where they can be caught. They live for about another five or six years after the terminal moult, so there are a number of years that they're available to the fishery.

We also manage the season such that we avoid soft-shell crab, crabs that have just moulted. They're vulnerable to handling and they could be damaged or killed if they were fished at that time. Even if they were thrown back, there's a high degree of mortality. We set seasons to avoid moulting populations, and, as I said, we target the mature males.

In the Gulf of St. Lawrence, in particular, we have one population that's fished in areas 12B, 12F, and 19. It moves around over the course of the year, from 12 to 19 and so on and so forth. It's one population, and we have to therefore manage it as one population. That's consistent with the advice we received from the FRCC some years ago, that we should stop trying to manage individual areas and manage the areas that reflect the population. So one population should be managed as one unit.

Landings peaked in the southern gulf at 33,400 tonnes in 1982. They dropped to 8,900 tonnes in 1990. The landings last year were 23,400. This year, of course, we've had a significant reduction in the TAC. The landings will be reflecting that, but that reduction is necessary to avoid taking the population down to a level that might make the recovery, which we expect to happen in 2012, less sure and put it in jeopardy.

In the 2010 TAC, the minister placed the priority on conservation. It was a big hit, but it was necessary in order to allow the stock to rebuild significantly. We recognize the hardships. We certainly made changes to policies in the harvesting sector in the southern gulf to allow for less costs for harvesters by combining quotas, allowing them more flexibility on partnering with other vessels, etc. We recognize that has helped, but it has not alleviated the difficulties in the processing sector. That's something the provinces are going to have to deal with.

● (0815)

We guide our decisions through science, and in the southern gulf we have a very good track record on science in terms of understanding what the data means and understanding where the population is and where it is on the cycle, etc. We have less ability in some other areas. For example, in Newfoundland and Labrador, we don't have the same kinds of time series of data, but we do have catch per unit effort and other indicators of abundance that we use.

We are working on a precautionary approach for the southern gulf, so we have in the southern gulf an estimation of what the biological limits are in terms of what we should not take from the population of fishable biomass below and what the harvest levels should be in terms of maximum harvest levels, and harvest levels that should take place between the limits that are representative of good, healthy stocks and the limits that are representative of stocks that are in more difficulty. We've done that in conjunction with the industry, and we are bringing that into play. That helps the industry as well in terms of getting eco-certification, if they so desire, and getting access to markets that require that kind of assurance.

I think I'll stop it there and let you ask some questions. Thank you.

The Chair: Thank you very much, Mr. Bevan.

Mr. Byrne.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Thank you very much, Mr. Chair.

Thank you, Mr. Bevan, for coming back again to our committee and providing us with good information.

I'll direct my first questions to Monsieur Lanteigne and Monsieur Moriyasu, just in terms of the science. Both of you gentlemen have been quoted in the media as saying there has been a problem in the southern gulf crabbing area 12 for awhile. Now the current cuts are a culmination of that. In fact, your comments in the media are very consistent with what the Department of Fisheries and Oceans' Canadian Science Advisory Secretariat's own science advisory reports for 2007, 2008, and 2009 have been saying about the southern gulf crab. In 2007, the report said the population was in a phase of decline. The report in 2008 said that recruitment to the fishery declined by 39%. In 2009, the report concluded that recruitment to the fishery declined by a further 13%.

It seems to me that there is clear evidence that science has been doing its job. It's been providing advice to the department and to the minister that stocks have been fragile, and have not been fragile since last season but have been fragile for awhile. Could you comment to the committee about some of the scientific findings, not just from this past year but from the last several years?

● (0820)

Mr. Marc Lanteigne (Manager, Aquatic Resources Division, Gulf Region, Department of Fisheries and Oceans): I agree with you that science on an annual basis can provide advice on the status of the stock and the protection for the following season. What you presented is a good summary of what science advice is providing to management.

Hon. Gerry Byrne: That's basically all I think the committee needed to receive confirmation on, because the issue now, Mr. Bevan, is why didn't the department, in terms of the resource management, act on this advice? The concern that's been raised by fishermen, by the processors, by the plant workers, by the industry, and by the communities is that while no one is arguing the results of science, what they are very concerned about is the failure of management to act on the advice of science to mitigate a 63% drop in one season. That's the concern. Industry has no capacity to be able to acclimate, to adjust to a cut of over 14,000 tonnes, 63%, in one season.

Mr. Bevan, would you be able to comment to the committee on why the department failed to act on a more timely basis when the science was clearly available to it?

Mr. David Bevan: As I mentioned in my opening remarks, there's more than one way to conserve this stock. We have a stock that we take advantage of in terms of the biological difference between males and females, and we target the fishery on the mature males only. So there's an additional safety net there in terms of conservation.

We do take the science advice very seriously, obviously, and that's always been the foundation of decisions, but there are other considerations in terms of the economics, the advice of fishers.

Last year, fishers came to the department with a very significant presentation that indicated that they had doubts, and they presented that and that was under consideration as well. It was part of the issue, and if they wished to do that and take the consequence of the outcome, that was part of the consideration as well. That was something the minister did consider and took into fact for her decision last year.

Having said that, we always know that there's a need to ensure that on the bottom of the abundance you take care of the stock first, and that's what's been happening this year. Last year's decision, the year before, etc.—those decisions were taken with full knowledge of the fact that we were in the downward trend in the cycle and that there would be a trough that we'd have to manage through and deal with. That was done this year, with the difficult decision to put the fish first and to ensure that we made the trough as short as possible, in terms of how long we have to live with this kind of TAC, and to set rebuilding as the priority and do that as quickly as possible.

Hon. Gerry Byrne: The information that you're providing us, though, indicates that there were options that were still available for this year. Your opening remarks indicated how the fishery is conducted—targeting males. In terms of conservation, this is not like a groundfish species or a pelagic species. It follows a different pattern. The consequences of harvesting this particular species are different from what you would experience with a groundfish or a pelagic species. I think that's the gist of what you're explaining when you say you target mature males in the fishery.

With that said, what you're also explaining to us is that you clearly had further options this year. The disconnect, Mr. Bevan, I think, to the industry on the ground and to the department's current decision in 2010 is the 63% cut. There's a fiduciary responsibility of the minister to protect the stock, to protect the species, and to protect the fishery. In my knowledge of this industry, and particularly of the southern gulf, I can't ever recall a time when the quota increased or the fishable biomass increased by 63% in one year. It seems like a very, very high number for an increase or for a decrease, and that's the disconnect.

Could you explain for the benefit of fishers that you had no choice? Could you explain for the benefit of the industry, through us, that basically because you did not take decisions in the last few years, that's why this occurred? Would that be a correct statement to make?

● (0825)

Mr. David Bevan: No, I think this decision this year was made based on the advice we had this year, but also on our experience in other areas. For example, in area 13 we've seen what happens if we keep the harvest rate very high for a long period of time. We ended up with a problem in that area and we had to shut down the fishery. We didn't want to get into that situation in area 12, because it's too important.

In fisheries of this nature, even if we have the safety net built in by not fishing females and juveniles, we do have a situation where if we fish too hard on the fishable biomass, that is to say, the mature males, we could damage the stock to a point where it would not recover as quickly as it otherwise would, or it would recover over a much longer period of time. It's too important to have that risk.

What we decided to do, from a conservation point of view, based on the science that we had and based on the work that was done to introduce a precautionary approach in this fishery, that is to say where they were looking at biological limits that should not be exceeded, if you're not going to have a high risk of not recovering or recovering over a longer period of time—based on that information, which was available this year, it became evident that we had to take action to reduce the TAC and allow this population to have a quicker recovery than it otherwise would. In the past, we've taken time to lower it over a period of years, etc. We had the 50% rule on finfish, as you may recall, for cod—and look at the results that brought us. So we recognized there was a risk, and we had to take a very significant decision this year to overcome that risk and allow for a quick recovery.

We certainly recognize the hardship this causes. The hardship it causes this year, and probably next year, is going to be offset by future growth. That's our expectation. We didn't want to risk future growth by trying to manage the hardships over a couple of years, or three years, only to have a situation where we created long-term suffering in the southern gulf snow crab fishery.

Hon. Gerry Byrne: I appreciate what you're saying.

Given the fact that risks were taken, as you acknowledge, risks that turned out to be difficult and causing hardship as the end result, are there any plans by the Department of Fisheries and Oceans, or the Government of Canada generally, to provide any assistance to those who are negatively impacted by these cuts this year? Are there any plans for any sort of financial assistance program?

Mr. David Bevan: In the short term, the short answer to that is no, because this fishery has gone through cycles. A few years ago, in 2005, it was at a peak, and in 2004 it was very lucrative. We had earnings that were quite considerable, with gross earnings in the $800,000 range per enterprise for some of the traditional people.

Yes, it's tough this year, and earnings are down a couple of hundred thousand dollars, but to provide assistance now is not a priority. Our priority is to rebuild the stock and to get the earnings back up as best we can, because of the world market situation, back up to where they were on the average for the last cycle.

The average earnings in this fishery are fairly good over the course of a cycle. So what the government did in 2003 was to say, okay, the allocations are fixed and we're not changing them; you guys manage the up cycle and manage the down cycle.

So we're in the down cycle and people are having a difficult time, particularly workers in plants, etc., but we've indicated to the fleets that they can have the flexibility to reduce their costs at this time in the down cycle. But there will be an up cycle, we expect, starting in 2012. We don't think taxpayers should take care of subsidizing the fishery over the low part of the cycle when there are going to be good profits ahead and they have had good profits in the past.

● (0830)

Hon. Gerry Byrne: Thanks, Mr. Bevan.

The Chair: Monsieur Blais.

[*Translation*]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Good morning. I'm going to continue and ask you the same type of question, but I hope you'll give us a different type of answer because what you're telling us is far from satisfactory.

First of all, you said you had received scientific opinions over a number of years indicating that the harvest rates for 2007, 2008 and 2009 were really dangerous. In spite of that, you nevertheless decided to continue authorizing high harvest rates in 2007, 2008 and 2009. In 2010, however, a 63% reduction in that rate was announced.

That's a problem. On the one hand, you say that the precautionary approach should be given priority and should take precedence, but when we consider the decisions made, we don't get that impression.

We wonder what other considerations there may have been for accepting a high harvest rate that endangers the species and thus jeopardizes an industry. How can you explain that?

[*English*]

Mr. David Bevan: We set the tax in consultation with the industry, the provinces, first nations, and obviously in consideration of scientific advice. The difference between the previous years and this year is that the scientific advice was really, really clear, plus the fact that we had done work on the precautionary approach leading up to this year. So this year we have had additional information regarding what is an acceptable harvestable biomass and what are the risks of going below that. That additional information made it clear that we are at the bottom of the cycle of abundance, that we had to take action to minimize the time we're going to stay at this level and to maximize the probability of climbing out of it. That's what the decision was based on this year.

The risks in the past few years were less clear or less significant, and we could keep the catch at a higher level. This year required significant corrective action in order to minimize the amount of time we stay at the bottom of the cycle of abundance.

[*Translation*]

Mr. Raynald Blais: That's where the problem lies. You confirmed that the harvest rate was really too high in 2007, 2008 and 2009, which presented a high degree of risk. It's like playing with fire; you wind up getting burned. It's as though you waited to get burned in order to react. The precautionary approach or the principle of sound management means that, from the moment you see there's a problem, or a fairly high degree of risk, you realize that, if you maintain that degree of risk, it will be much more serious in future. So then you consider cutting quotas.

That cut in quotas could have been spread over a number of years, which would have helped us avoid the present situation. Cuts in the order of 63% have a major impact. For some people, it's even a disaster. That's what's hard to understand. I agree that it's easy to say so afterward, but it's also a matter of common sense.

When you see any kind of problem, and when you realize there is a certain degree of risk, you have to react. It's like when a roof leaks. You don't expect it to leak a lot before you repair it. You repair it as soon as possible, when you see that it's starting to leak. That's somewhat what has happened. It's as though you believed that there was a degree of risk, but that it was not yet high enough and that you had to wait for the degree of risk to be very high in order to act. Unfortunately, if you wait too long, the actions you take may have much more significant impact.

This has impact on human beings. A little earlier we were talking about the decline in the species, but there's another species, and that's the people who work in the plants, the people who work on the fishing boats and the fisherman's helpers. These people are hard-up; they're stuck. They can't change direction and decide to do something else. A few days before the fishery opens, they learn they've lost their jobs. Ultimately, the fishermen have no choice; they have to cut their costs. The plant workers wait, wait and wait again. We're hearing about cuts in the order of 40% or 50%. We've been hearing that very recently. Suddenly, it hits, cuts of 63% are announced.

What's the logic in that?

● (0835)

[*English*]

Mr. David Bevan: Clearly we understand the impact this decision has had on fishermen and on crewmen and on plant workers. The impacts are significant, obviously, this year. If we didn't take action, it would not just be this year and next year, but all the way into the future. We had to take action on this part of the cycle because we're at the bottom of the cycle of abundance and we have to take action to make it short.

[*Translation*]

Mr. Raynald Blais: My problem isn't in 2010. My problem is in 2007, 2008 and 2009. That's where I have a problem. That's where there is a problem.

[*English*]

Mr. David Bevan: We have been on a downward cycle since 2005, there's no question. The risks of maintaining the TACs at that time were less than they are this year. We could accommodate the desire of the fishermen to maintain TACs similar to those of previous years because the risks were less. This year, because of the work that was done on the precautionary approach and looking at the biological limits, but more importantly based on the status of the stocks, we had to take action to ensure that the amount of time we spend at a low level of abundance is minimal and that we will have rebuilding as quickly as possible. In the past it was done to mitigate the impacts on the fleets and the plant workers, but this year we had to put the fish first.

The Chair: Thank you.

Mr. Donnelly.

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Thank you, Mr. Chair.

I also am having trouble, as my colleagues are, with understanding how the decision was made for this year and why, for instance, a similar decision wasn't made last year or earlier.

Mr. Bevan, in your remarks you referred to area 13. I think you referred to it as what we don't want to do. Could you explain a little bit about how and why decisions were made in area 13? Given your comments about the precautionary principle and how you would ideally manage with that principle taken into account, for such decisions as the recent decision, how is it in a case such as that of area 13, which you referred to, it wasn't taken into consideration?

Mr. David Bevan: Area 13 was a situation that came up years ago, actually before we were fully engaged in the precautionary approach and looking at biological limits in harvest limits. Area 13 was one in which we relied almost exclusively at the time on the biological differences between males and females, so we had a very heavy fishing effort on the mature males. The result was that the stock crashed, the fishing had to stop, and directed fishing has been just coming back now, at a very low level. It has had a significant impact on the fishermen in that area, because we didn't have the same degree of knowledge that we have now and didn't apply the precautionary approach at that time because of a lack of understanding of what it meant and how to establish the biological limits that drive the precautionary approach.

This demonstrates that if you put the interests of the fishermen and the plant workers ahead of those of the population, what happens is that the plant workers and the fishermen suffer more. It's been a lesson that we've learned in this crab management process, that you have to look after the stock first, if you're going to have the possibility of looking after the fishermen and the plant workers.

It's something we've certainly taken on board. We don't want to do it again in any other area; we want to keep the harvest rates within reason. We don't want to rely 100% on the fact that there's a size difference between males and females and on the idea that you can fish the males as hard as you possibly can as long as you leave the rest of the population alone. That didn't work in area 13. We don't want to take a risk in the management of crab stocks throughout Atlantic Canada. We are therefore taking the steps necessary this year to ensure that we have the stock necessary to rebuild the population in the southern gulf on the upward side of the cycle and stay for as short a time as possible on the bottom end of the cycle.

● (0840)

Mr. Fin Donnelly: Given that lesson, then, if we shift to area 12, what was the recommended scientific catch level for 2009?

Mr. David Bevan: The recommended levels don't come up with a number; they come up with a range and a risk assessment. Scientists are the risk assessors, and managers and the minister have to consider all of the advice in managing the risk. The risk assessment is done by science.

I can't recall the exact numbers in the scale that was provided. They don't come out with a point, as I said; they come out with a range, and they say that the low end of the range entails less risk, and here's the risk at that point, and at the high end you have more risk.

But I confess I can't recall the details of the scientific advice off the top of my head. We can certainly refer you to.... The scientific advice is on the web, and the stock status reports are there, so the committee certainly has access to the actual advice from scientists.

Mr. Fin Donnelly: I'd be very interested in knowing what the risk assessment and the scientific range was for last year and then why the TAC was set as it was last year versus this year, and why the drastic change in one year, when we're looking at a 10-year cycle, as you've mentioned and as we've heard at other hearings. That's something I'm certainly grappling with; it doesn't seem consistent.

I have one last question, but I guess I'll have to wait. Thank you.

The Chair: Thank you.

Mr. Kamp.

Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC): Thank you, Mr. Chair, and thank you, Ms. Reid and gentlemen, for being here. I'll begin, and then if there's time I'll pass it over to my colleague from New Brunswick.

Let me follow up on the line of questioning we've heard so far. Obviously it is possible for us to dig out this information ourselves, but I think it would be helpful for us if you could tabulate for us the basic information, let's say going from the top of the cycle—say from 2005. If you could outline this for us—you've indicated that you can't do it here for us today—and provide it to us, I think it would be helpful to the committee. If you could provide a table that showed the commercial fishable biomass in that year, the scientific advice—the ranges and a brief summary of the risk assessment with that—and then the TAC that was set for that year, I think it would help us to understand the process a little bit more. If you're able to do it today, that would be great, but if not, providing it for us would be helpful.

Mr. David Bevan: We should probably provide it to you in writing, but I think some information is available right now.

Dr. Mikio Moriyasu (Head, Snow Crab Section, Gulf Region, Department of Fisheries and Oceans): For the 1995 season we had a biomass of 154,000 tonnes.

● (0845)

Mr. Randy Kamp: What year are we talking about?

Dr. Mikio Moriyasu: That was for the year 1995.

Mr. Randy Kamp: I don't think we want to go back that far.

Dr. Mikio Moriyasu: Okay. In 2005, we had 85,000 tonnes.

Mr. Randy Kamp: That's the fishable biomass?

Dr. Mikio Moriyasu: Yes, it's fishable biomass.

Mr. Randy Kamp: That's the peak, then.

Dr. Mikio Moriyasu: Yes.

Mr. Randy Kamp: And what was the—

Dr. Mikio Moriyasu: The quota was 36,000 tonnes.

Mr. Randy Kamp: So that was the highest quota that we've had in this area 12 fishery?

Dr. Mikio Moriyasu: Yes. This is for the whole southern gulf, but 85% of the quota is usually allocated to area 12.

Mr. Randy Kamp: Are you able to help us with subsequent years?

Dr. Mikio Moriyasu: In 2006, the following year, the fishable biomass was 68,000 tonnes. The corresponding quota was 29,000 tonnes.

In 2007 it was 66,000 tonnes, and the quota was 27,000 tonnes.

In 2008 it was 57,000 tonnes available, and the quota was 25,000 tonnes.

In 2009 it was 48,000 tonnes available, and the quota was 24,000 metric tonnes.

Now, for this year, it is 26,000 tonnes available in the total southern gulf.

Mr. Randy Kamp: And the TAC is 7,700. So the notion that somehow there was—it's stated—this high level, sort of unjustifiable level, and then this drop of 63% is not quite accurate. It has been declining from the top all the way down. I think that is helpful, and if there's more detail there, that would be great.

Area 12 obviously is a large area. Is it considered a single stock or a single population, or are there pockets of abundance throughout the area? In other words, I know for management reasons we manage it as a single stock, but would it be possible to have areas where there was a larger exploitation rate than others within area 12, or is that not a possibility?

Mr. David Bevan: I think I'll refer to my science colleagues. It's one population, and should we have a higher level of exploitation on one portion of that, it has to be considered in terms of the overall exploitation rate on that population. There are, obviously, pockets of abundance. In the stock status reports there are maps looking at the distribution of the crab that's available, and that certainly drives fishing effort in the first days of the fishery. In other words, people would go to where they understood the fish were, at the time of the stock status report, and they've sat on those areas. But we consider it one population. I don't know if you want to add anything there.

Dr. Mikio Moriyasu: Yes. We did genetic studies, and, genetically speaking, southern gulf crab is one unit. Also we have been doing a tagging survey, and the crabs travel between the fishing grounds in the area.

Mr. Randy Kamp: I just have one final question and then I'll turn it over to Mr. Allen.

I guess it's kind of a question we've been wrestling with as we take a look at this. Some have suggested that the problem is exacerbated by the fact that there have been some new entrants—not so new; I think they've been around for a number or years, more like decades. How do you manage a stock that is cyclical, especially in terms of managing access, when it goes up and it goes down. Do you bring in new entrants when it's up? What do you do with them when it's down? Do you just pick a level where, when it's up, everyone makes a living, and then when it's down, everyone starves? Do you pick a middle ground? It's more a comment, perhaps, than a question, but how do you manage a cyclical stock like that?

Mr. David Bevan: That's been at the root of a lot of problems over the last number of years, going back decades, particularly when the groundfish level in the gulf started to go down significantly and basically became a mere shadow of its former levels. We had people coming into this issue and going out, and there was great debate over when they're in and when they're out, etc.

The decision was made back in 2003 to say that was it; we were not going to bring any more people in or take people out. Everybody was on for the ride. So on the good times cycle, they were all going to make money, and on the bad times—like we're in now—people should just ride it through and expect it to go back up again shortly. That's our expectation and certainly our hope. Let people stay with it and provide them with flexibility so that on the downward cycle they can cut their costs by combining quotas, partnering, etc. That's where we're currently at. The minister has made it clear that stability of access and allocation is the policy. It's been a policy, actually, since 2004. That is coupled with the fact that we're trying to stop the endless fight over access and allocation and start having people focus on value and how to manage their own affairs so that they can maximize their net income. That's what we're focusing on.

As to whether or not additional effort is contributing to the declines, I'd say it's contributing to the economic challenges but not to the biological ones. This is stock managed on, as I mentioned, TAC and quota—TAC being the key point there—as well as on targeting mature males. We're harvesting a particular percentage of the mature males and doing that in a way that we expect to minimize the risks to the stock in the long term. That doesn't contribute to the biological cycles. It certainly adds questions and challenges to the economic issues, but we're hopeful that by changing our policies and allowing more flexibility, we can allow the individual fishermen to make choices and to cut their costs and have the opportunity to ride this out.

● (0850)

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you, Chair.

Mr. Moriyasu, you indicated that the fishable biomass was 148,000 tonnes in 1995 and 85,000 tonnes in 2005. Have there been any changes in the process to establish the fishable biomass? When is that process done?

More importantly, it always intrigues me that the announcement of this TAC is always made hours before the season starts. Is it possible that a signal can be sent to the industry in the fall or wintertime on what the potential TAC would be so that the industry could plan for it?

Mr. David Bevan: Very briefly, this is clearly a very transparent process. The fall survey takes place. I think it's pretty transparent that people know what the trends are.

There's then the RAP, the assessment process and scientific process. It's transparently done in that we have a peer-reviewed process with the fishermen. Everybody knows the trends. They know where we're going. It's not as if there's secrecy or it's a big surprise.

Of course, we take that advice through the advisory process, where you have input from the harvesters, provinces, and so on, about how to interpret it and how to make a decision based on that advice. It then goes to the minister.

I would say nobody was expecting the status quo in 2010. Everybody knew what the trends were, starting in the fall and going through the process. The number that came out was perhaps more than they had expected. They were expecting a 40% or 50% cut, not 60%.

The number is based on the fact that we don't want to risk the future by taking short-term action now. Trying to mitigate the impacts on plant workers and fishermen this year by taking risks with the future is not the way to go. We've learned that through bitter experience.

I don't know if you want to add anything about the process. Has it changed since the 1990s?

Dr. Mikio Moriyasu: In terms of the way to estimate the biomass, there's no change. We always do a bottom survey. We analyze the data and show it to the managers.

The most important change occurred this year, last winter, which is the introduction of the precautionary approach. This is the major issue in terms of historical research outcomes.

For snow crab, it is the first precautionary approach introduced to the fisheries in Canada. There's probably no other precautionary approach that's been introduced to the crab fishery in the world, except for the eastern Bering Sea. They have a similar approach. This is the most important change.

● (0855)

The Chair: Thank you very much, ladies and gentlemen.

Thank you for taking the time this morning to come and meet with our committee and answer a lot of our questions. We really appreciate your input.

We'll take a short break while we set up for our next guests.

● (0855)

(Pause)

● (0905)

The Chair: Welcome back.

Gentlemen, thank you for taking the time today to meet with the Standing Committee on Fisheries and Oceans to share your views and answer some questions that the members might have. We really appreciate your taking time out of your very busy schedules.

I believe the clerk has let you all know that we allow about four minutes for opening comments. We do that to allow members to be able to ask as many questions as possible in the timeframe allotted.

Mr. Basque, please begin your opening comments.

Mr. Jeff Basque (Senior Negotiator, Listuguj Mi'gmaq Government): Good morning, parliamentarians.

My name is Jeff Basque, and I am a senior negotiator for the Listuguj Mi'gmaq government, directed to the Standing Committee on Fisheries and Oceans by Chief Allison Metallic to comment on your order of the day, that is, on the snow crab industry in Atlantic Canada and Quebec.

A little less than two months ago, on April 6, 2010, the Department of Fisheries and Oceans, DFO, announced a 63% cut in the total allowable catch levels for the 2010 snow crab management plan in which the Listuguj Mi'gmaq government participates, with one of the largest first nations snow crab quotas. The federal government's decision directly and negatively impacts the way of life of the Listuguj Mi'gmaq and the aboriginal and treaty rights of all Mi'gmaq first nations who rely on snow crab for their social and economic livelihood.

Mi'gmaq fishing rights have full protection under the covenant chain of peace and friendship treaties and the Canadian Constitution.

The economic and social impact of DFO's unilateral decision on Listuguj, a community that has over 3,400 members and is growing rapidly, will be severe. Many fisher jobs will be lost, and families will find themselves in financial turmoil. The $1.7 million that our government uses to fund housing, health services, education, and language programming, among other public programs and services, will be lost. This decision represents a cut of over 5% of the transfer payments to Listuguj.

How could a decision of such devastating impact have been made under such an elaborate system of checks and balances? It seems impossible that the combined and cumulative knowledge and experience in the Government of Canada's Fisheries Act and the DFO regulatory regime behind these decisions could have resulted in such a catastrophe. The Government of Canada's Fisheries Act and the DFO regulatory regime, including their scientific analysis and decision-making framework, seem to be entangled in a set of conflicting interests resulting in either bad science combined with bad decision-making or perfectly good science combined with bad decision-making.

The Canadian judiciary and governments may view the involvement of the Mi'gmaq and the commercial fishery as a matter of the recent recognition of their rights by the courts. However, the Mi'gmaq were put here on earth by our creator and were bestowed sacred duties of stewardship over natural resources to guard those resources, including snow crab, as they form the basis of Mi'gmaq identity, culture, and livelihood.

This is not something we Mi'gmaq people chose or accepted. We are duty bound. Therefore, this right, framed as such under the Canadian constitutional order, is simply part of the way of life for the Mi'gmaq. We don't get up in the morning and say we will fish because it is our right. We fish because, quite simply, it's what we have done for millennia. We take what we need and no more, and we govern our fishing to sustain our future generations. Everything is connected. The state of our resources represents the state of our being as Mi'gmaq.

Now, in respect of Mi'gmaq inherent aboriginal and treaty rights, and contrary to the Canadian Constitution and case law, the Government of Canada, through the Department of Fisheries and Oceans, has acted to severely diminish the honour of the crown in several ways: first, because the Government of Canada did not in the least—either by any act or by thought of consideration—even consult the Mi'gmaq at the strategic planning level of its decision-making framework; second, through this April 6 decision, by ignoring the fact that the Mi'gmaq interest in snow crab has priority over non-aboriginal interests in the snow crab fishery; third, not having consulted and considered Mi'gmaq a priority, the Government of Canada has failed to uphold its fiduciary obligations to the Mi'gmaq, wherein the crown is duty bound to ensure priority allocation. This is all taking place while the Government of Canada goes on tour touting its policy on its duty to consult aboriginal people in Canada.

● (0910)

In a nutshell, the parade of Canadian constitutional order and the law and the public policy it has spawned has failed and wronged the Mi'gmaq when it could have been used to conserve and protect the resource. Yes, the Mi'gmaq believe in regulation for conservation, but not for a veil to cover the fox while he guards the henhouse. Listuguj Mi'gmaq communities in all seven districts of Mi'gma'gi, who unify with her, will not watch and sit idly while the federal government intends to cavalierly run roughshod over our way of life and our rights.

In the face of this fateful decision by Minister Shea on April 6, 2010, the Mi'gmaq are now at a crossroads. While we once trusted and put faith in the minister, the Fisheries Act, and the DFO regulatory regime, they now represent a threat to our way of life, because their decision-making framework is a threat to the resource itself, the snow crab. Therefore, as time is of the essence, in respect of the fisheries resources so vital to the livelihood of Mi'gmaq and the way of life of its people, the Listuguj Mi'gmaq government will act to take its future out of the Government of Canada's hands and put it into its own hands.

Listuguj, standing side by side with many other Mi'gmaq governments in Mi'gma'gi, will pursue its inherent right to self-governance and resolve to carry out its way of life in stewardship duties and enact its own laws on marine fisheries with a management plan and regulatory regime, and a decision-making framework that genuinely considers the conservation and protection of the snow crab resource in the long term. We will afford other governments and stakeholders an opportunity to comment on our laws, regulations, and management plans as an example of proper consultations. The resource will be used for food and social purposes. We further resolve to carry out our own scientific work to support a sustainable snow crab fishery. All this will occur aside of the commercial fishery now mismanaged by the Government of Canada.

I thank you for your time, and I'll now take your questions.

● (0915)

The Chair: Thank you.

Monsieur Haché.

[*Translation*]

Mr. Robert Haché (Representative, Association des crabiers acadiens): Good morning, Mr. Chairman.

Thank you for inviting us to address you.

First of all, I'm a fisheries consultant. The name of my firm is Services-conseils STF Consulting Inc. My services are being retained by the Association des crabiers acadiens.

This morning, I'm speaking on behalf of that association and on behalf of the very large majority of the 150 traditional crab fishermen in area 12. They are represented by the following associations: the Association des crabiers acadiens, the Association des crabiers gaspésiens, the Association des crabiers de La Baie, les Crabiers du Nord-Est, the Association des pêcheurs professionnels crabiers acadiens and the P.E.I. Snow Crab Fishermen Association, one of whose representatives, Mr. Cameron, is here this morning.

The businesses I am talking about this morning rely exclusively on the snow crab resource. They have access to no other fishing licences in the southern gulf.

The charts I'm going to present to you this morning will be included in a request we are about to make in two or three days. We will be submitting that request to the Office of the Auditor General of Canada for an investigation to be conducted by that office into the snow crab stock and fishery in the southern gulf. I am taking this opportunity to ask the committee to support our recommendation to the Office of the Auditor General of Canada. That would help a great deal in clarifying all the confusion and problems surrounding the snow crab in the southern gulf.

As the saying goes, a picture is worth a thousand words. I've provided you with a series of charts. I won't present the charts individually because I'm going to try to talk to you in the four minutes allotted to me.

First, I will tell you that the charts are based on a historical timeline. All the data are divided between before-2003 and after-2003. They are based on eight years: from 1995 to 2002 and from 2003 to 2009. The averages in the charts are based on those two series of years. Why did we choose those two series of years? Because they coincide with the cycles of abundance and decline in the snow crab resource, which you heard about this morning. There are booms and busts. The first cycle was from 1995 to 2002. The second cycle was from 2003 to 2009.

This also coincides with the introduction of new access to the crab fishery. The first time there were newcomers to the crab fishery was in 1995. Those people stayed in the crab fishery temporarily, somewhat as you were saying this morning. The department granted crab licences while the resource was abundant and stopped granting them when it was no longer abundant. In 2003, Fisheries and Oceans Canada decided to stop following that recommendation and to include those people permanently, not taking into account the need to balance the resource against fishing capacity.

If you look at the table in Figure 3, you'll see annual snow crab catches in the southern gulf since 1995. The scientists and the department have told you they had to reduce the total allowable catch, the TAC, by 63% because of overfishing during the last biomass cycle. If you look at the period from 2003 to 2009, you can see very clearly that there was overfishing.

However, who benefited from that overfishing? Who benefited from this new crab? On the following page, you see the table on landings by the traditional crab fishermen—the people we represent—they are there. You'll see that, ultimately, comparing the period from 1995 to 2002 with that from 2003 to 2009, the quantities were roughly similar.

I'll close on that point. You'll be able to ask questions on the other tables that follow to determine where the crab was fished and by whom. What happens when you apply overcapacity to the fisheries? You have actual figures and data.

The data here are from Fisheries and Oceans Canada. They aren't from the industry. These are the department's official data.

● (0920)

Now let's look at the traditional crab fleets that everyone says don't want to share. That's false: the crab fishermen want to share in a context in which a balance is maintained between abundance and scarcity of the resource. That's simply what we're asking.

If you look at what's happened since 1990, when the traditional crab fishermen in the southern gulf had 85% of the harvest, you'll see that, between 2003 and 2009, their percentage dropped to 56%. There's a threshold beyond which it's no longer profitable. Our big fear now, at the start of this difficult period and for the long term, is that the traditional crab fishing industry will no longer be profitable.

Thank you. I'll await your questions.

[*English*]

The Chair: *Merci, M. Haché.*

Mr. Hennessey.

Mr. Frank Hennessey (As an Individual): My name's Frank Hennessey. I've been fishing since 1967. I've been active in many associations and committees over the years. I was in the ground fishery when the cod moratorium came out, and I feel that I will be in the crab fishery when the crab moratorium comes about. I was an original member of the Fisheries Resource Conservation Council and served for nine years, from 1993 on.

Since 1995 I've been fishing in zone E. In its present state, the crab fishery is very much the same as where the cod fishery was in 1993. We all know how that has been managed to near extinction in the past 17 years. Many of the indicators are the same. There's too high a TAC, causing overfishing. Seal predation is being ignored; however, it's now recognized as one of the major factors in cod depletion in 4T. There's not enough recognition given to science's ability. There's inconsistent policy from DFO, which we the stakeholders are subject to but the department is not. And economic viability is being put ahead of fisheries conservation.

It was said four years ago that major cuts should be made in the crab quota or we would have to take drastic cuts in four years, which is where we are now. Given the issues that science addressed at their snow crab science RAP 2010, this year's cuts will not alleviate the situation. We may be looking at a full moratorium for all of zone 12 next year.

I have a few points on zone E, where I am. When the fishery came about in 1995, there were four players. The next year there were four more new entries in it. The four original players lost 50% of their quota to make room for them, which was all right. But then later on a number of these players were given shrimp to be viable, although some of the original ones weren't.

This area is the farthest in the zone to be fished for the smallest quotas. From the viability study done, it's the most expensive area to catch fish. With the new entries and the smaller quotas—we had a licence—we thought that instead of steaming 35 hours back and forth, most of us could catch it three or four hours from home. It's the same crab biologically, the same science, but there was no room for extra fishers in zone 12.

Four or five years ago they made eight new licences out of temporary permits in New Brunswick to make it more viable for rationalization. In 2008, they put 3,100 tonnes of temporary sharing into permanent sharing in zone 12. Still there was no room for us to move in.

This year we have 18,000 pounds to catch in an area where it takes 14 hours to steam one way in good weather, and in bad weather it's 18 or 19 hours. There was no room for us to go in zone 12 because of the downturn in the fishery. But this year the Quebec region issued eight more licences to the province and the Magdalens, taking them from temporary fisheries to licences. We're still there; we're still denied.

So when I'm talking about policy, it seems the department has a policy for some, which we're subject to, but the department can twist it any way it wants.

That's it. Thank you.

● (0925)

The Chair: Thank you, Mr. Hennessey.

Monsieur Lanteigne, please give your opening comments.

[*Translation*]

Mr. Jean Lanteigne (Director General, Fédération régionale acadienne des pêcheurs professionnels): Good morning. It will be hard to stick to the four minutes, but I'll be as brief as possible. It's unfortunate you didn't choose to go directly to a fishing community. The people of Caraquet, Lamèque and Shippagan would have been happy to share their experiences and would have shown you directly how important the industry is to us back home.

It's important to recall that Basile Roussel, from the little village of Le Goulet, near Shippagan, is the one who, together with a group of fishermen, founded this entire industry which today generates billions of dollars for the country as a whole. However, without going into the details of the history of this fishery that our fleet has been engaged in for 45 years now, it's important for me to remind you that our fishermen are the real pioneers. In the vast majority of cases, the current fishermen are the sons of those individuals who developed the industry of this fishery that has become so sought after. With its 42 years of existence, the FRAPP, which I represent, is the oldest fishermen's association in New Brunswick and no doubt one of the oldest in the country.

With all this baggage and experience, we are increasingly concerned about the survival of our midshore fleets. Policies, administrative rules and political decisions work against this group of fishermen in the vast majority of cases. This morning, we're talking about snow crab, but things are going just as badly, if not worse, for other species, including shrimp, and the shrimp industry is also in danger.

I've been part of management at the federation for three years, and the first thing I notice is the weight of the number. In the case of snow crab, our traditional crab fleet, with less than 80 boats around the Acadian Peninsula and Gaspesie, can't compare to the thousands of fishermen in the other fleets. So you politicians have a big role to play.

Changes should simply be made to the Fisheries Act, which dates back to the start of Confederation. We all know that the last two attempts failed. So we should reopen this file as soon as possible and ensure there's a better framework. The decision-making mechanism is truly obsolete because power is centralized. The power is held by a single person, who no doubt has the best intentions in the world and yet can't foresee all the possible consequences in this increasingly complex world. That power has to be taken out of the minister's hands. All the fishermen concerned urgently need to be given back what belongs to them, their fishery and their occupation. There's no room here for envy and jealousy, which are fueled by the belief that the resource belongs to all Canadians. We believe that not everyone can go out on the water to fish, just as not all of us can become woodcutters or farmers.

Over the years, the various ministers of Fisheries and Oceans Canada have all, each in their own way, tried to favour one or more groups of fishermen. The one who has the most political power and who adopts the best lobbying strategy comes out the winner, very often to the detriment of the other groups. Now we've lost so much that our industry no longer belongs to us and is quickly headed toward a major financial fiasco.

How many of you would like to be told that your income will drop by 63% and that you'll have to continue sharing 15% more with others? And if that isn't enough, someone has the gall to tell you that, in doing so, they'll be stabilizing the industry. Something really isn't working here. No business, no company can survive in these circumstances or as a result of these kinds of arbitrary decisions. The negative impact of these decisions in recent years will continue to be felt in the coming weeks and months. It's easy to rebut this argument by saying that this is the way the fishing industry is headed and that it's up to fishermen to prepare for bad years.

For the past 10 years, however, our fishermen haven't had the chance to prepare. Instead we've been focusing on surviving year after year, when our industry was increasingly in danger. What do you say this morning to a young fisherman who has taken over from his father this year, last year or five years ago? Was he able to prepare for this situation? Who's going to help him? The general public has the false perception that crab fishermen are all rich. And yet the major losses our businesses have to bear this year can't be recovered next year, unless a miracle happens. Do you have a plan? Does DFO have a plan? The answer is no; there isn't a single penny. Over a period of 15 years, DFO, which advocated sharing and viability, has driven an entire fleet into a precarious financial situation. It's enough to bowl over any accountant or financial analyst.

Are there any ways to support our fishermen? The answer is yes. For example, our crab fishermen pay large amounts of money for their fishing licences every year. They're required to pay $137.50 a tonne. This year, the average is around $5,500. Let's hand those amounts back to them. We aren't going to ruin the Canadian government that way. So let's start with that.

● (0930)

Second, support the request made by all the associations of crab fishermen to the Auditor General of Canada for an investigation into the management of the Department of Fisheries and Oceans, which we think runs counter to the concept of a sustainable fishery.

In closing, we appreciate your effort to look into the difficult situation of the crab fishery in area 12 this year. However, as you will all agree, not all Canadian fisheries are on the Canadian government's agenda. The current economic crisis confirms that state of affairs. Attention has been focused on the crisis in the automotive sector, and the purse was immediately opened: billions of dollars were given to multinational corporations. Our colleagues in the lobster fishery have been luckier than we have because, after a few weeks, they managed to get a slim $65 million for all of eastern Canada. The entire fisheries file as a whole must be reviewed. The survival of hundreds of communities on the Maritime coast of the country is at stake.

Thank you for listening, and I'll be pleased to answer your questions.

The Chair: Thank you, Mr. Lanteigne.

[*English*]

Mr. Cameron.

Mr. Doug Cameron (Executive Director, P.E.I. Snow Crab Fishermen Inc.): Thank you, Chairman Rodney and members of the committee. I'll introduce myself. My name is Doug Cameron, and for the last 14 years I've been the executive director of the licensed snow crab fishers of the Province of Prince Edward Island. I only learned of the meeting on Tuesday, via a colleague, and after a few phone calls I managed to wiggle myself onto this committee.

I've been impressed with the line of questions you've asked our predecessors, and I look forward to answering any of the questions you may have.

I've enjoyed these 14 years working with the fishermen, and while the relationship with them has been rewarding, I'm afraid to say—or want to say—that the relationship with DFO, while it started off to be a good relationship, and fruitful at times, for the last seven to ten years has been frustrating and indeed at times exasperating.

My major concern is the financial viability of our 28 members. I see it just going down and down. I'm concerned with the sustainability of the resource and the way that science has been providing information. I'm concerned about the process of ministerial decision-making, how that happens and how we're left out of it. I could talk about that.

I'm also interested to make sure you realize that while sharing has been imposed upon us, the Province of Prince Edward Island did not object to the sharing. Our objection really is to when the stocks go down, the pressure that's going to be put on the resource. But as I say, we're not objecting to the sharing.

I was present in the office when Minister Thibault, at the time, announced that a 15% sharing would be given to non-traditionals and that it would be contingent upon...the associations that were going to enjoy this 15% for a period of one or two years had to come back with a plan so that they would get rid of their sharing and have a system where the licences would be given out on a permanent basis to fishermen. What that means to us, really, is that instead of having 800 or 1,000 lobster fishermen putting pressure on the minister, 15, 20, or 30 fishermen would be welcomed into our organization on a permanent basis. We're not trying to recover the sharing; we just want to see it better controlled.

The lobster fishery has been a successful fishery. Why? Because it has a limited access; the numbers are limited.

As I said, I'll be pleased to answer your questions, and I hope you will ask some that enable me to expand upon some of my remarks.

Thank you.

● (0935)

The Chair: Thank you, Mr. Cameron.

Mr. Byrne.

Hon. Gerry Byrne: Thank you, Mr. Chair.

Thank you to our witnesses for appearing before us and providing us with some sound and significant advice and an overview of the industry as it affects not only yourselves but the members of your associations and organizations.

Perhaps I could ask Mr. Haché and Mr. Lanteigne if they can provide us.... The cuts have been extremely difficult, and we recognize that. It has been a problem not only for the harvesters but for the processors and everybody in the industry. Could you provide some insight to the committee? When the new entrants came into the fishery, of course—let's call a spade a shovel here—it caused certain concerns among your organizations. Did you ever have an understanding, a feeling, either explicitly or implicitly, that if and when stocks declined, the decline would be shared equally by everyone, or would it be done on a process of the relatively new entrants being removed from the fishery first? What has been your understanding for the last number of years? As the stock was increasing, did you have an appreciation or understanding of what the method would be in times of decline?

Mr. Robert Haché: This was the formula that we favoured and that existed between 1995 and 2002. There was sharing when the stock and the viability of the industry could sustain it. When the stock was going down, the viability was going down. The last-in, first-out principle was applied, and the new entrants were not part of it.

This has been our understanding all along, and this formula worked very well.

If you go to figures 16 and 17—it's a very useful exercise. For the decrease of the stock in the first cycle, on figure 16—you will see 1997, 1998, and 1999. In 1997 the TAC was 15,400. There was some sharing and the crabbers got 13,000 tonnes. But in 1998 and 1999 it was judged that the viability of the traditional fleet needed this amount of crab, which is close to 12,000 tonnes, and there was no sharing and no crisis. There was no problem. Nobody criticized DFO for that. It worked well, and the industry as a whole was totally capable of going through that phase.

If you look at figure 17, and you look at how things work when you have overcapacity installed in such an important fashion.... In 2008, in order for the traditional fleet to get 13,000 tonnes, we needed to support a TAC of 20,000 tonnes to 21,000 tonnes. That's the problem with overcapacity.

People have a tendency to think you just set the TAC. That's not the way it works in real life. You have to provide a sufficient, sustainable amount of quota for people to be viable. Sustainability has two prongs: the stock and the viability. Sustainable development is two words. You have “development” in there, and you cannot have development without having an economic viability that is independent of the taxpayers' money. So here you have a good example.

In 2008 we supported a quota of 20,000 tonnes, because we were at that level. We were right there. We needed 13,000 tonnes. If the overcapacity had not been there, we would have supported much less, as we did in 1997, 1998, and in 2009. Then in 2010, all of a sudden we're down to 5,000 tonnes. This is the problem. I showed you that the crabbers did not benefit from that excessive fishery between 2003 and 2009. They were the ones who in the 1990s invested millions of dollars, $10 million in the science and management of the fishery. They built this beautiful fishery, this beautiful stock. Then, after 2003, when there were good grapes to*amorcer*, the department said, it's not going to go to you, it's going to go to your neighbour. So they gave it to the neighbour. Worse, now that we're going down, when we're in the bottom hole, we're penalized. The fleet would normally need 13,000 tonnes and it's down to 5,000 tonnes.

We're not against sharing. We have said that many times. We're totally for sustainable development principles and policies. DFO does not respect the Government of Canada's sustainable policy, and they don't even respect their own policy for good management. We need a good third-party analysis of this. That's why we support the Auditor General's intervention. If the Auditor General shows us that we're in the wrong, we will accept that. But we need that.

● (0940)

I just want to finish. The problem we have now is this year. The department told you, “We gave them flexibility.” That's a blatant lie. I'm sorry. Crabbers in the southern gulf have no access to anything else: no lobster, no herring, no scallops. Ask any DFO people in the gulf. If you're a crabber, try to get a lobster licence.

They say, “We gave them flexibility to join together.” Listen, we have family enterprises that date for generations, where they have employees on their boats. These boats take four to five crew members, regulated by Transport Canada. This is not an amateur fishery. The department says, “Okay we're going to cut you down, we're going to give the quota...allow the fishermen's organization to launder money from their crab to pay for their own things, and you're going to lay off your crew members and join another fisherman.” That type of joining together might be good for a very small inshore fishery.... I'm sorry.

Hon. Gerry Byrne: I would like to get to Mr. Lanteigne. Your points of view are very important and valid.

Mr. Robert Haché: Okay. That's basically it. Sorry.

[*Translation*]

Mr. Jean Lanteigne: My colleague Robert Haché has illustrated the situation. I would add that, in 2005, a report by Gardner Pinfold Consulting on the crab and shrimp fisheries, commissioned by the Department of Fisheries and Oceans, very clearly informed the department at that time that the viability of the crab fleet was in danger. However, no administrative policies were changed. The industry continued to be gradually stripped, and today fishing businesses are in trouble.

Mr. Byrne, in response to your question about sharing, Mr. Haché described the situation very well. Our fishermen aren't opposed to sharing, provided they have the financial capacity to do so. However, without that capacity, it's absolutely impossible. This year, those fishing businesses—you'll be speaking with the fishermen shortly—are losing $50,000 to $200,000.

How are you going to recover those kinds of losses in the coming years? There are no miracles. There won't be 25,000 tonnes of crab to fish next year. They won't be able to climb out of the hole with that.

[*English*]

Hon. Gerry Byrne: Mr. Chair, I'll share my time with Mr. LeBlanc.

Hon. Dominic LeBlanc (Beauséjour, Lib.): How much time do I have, Mr. Chairman?

The Chair: You have 30 seconds.

[*Translation*]

Hon. Dominic LeBlanc: I have a very specific question for Mr. Haché and Mr. Lanteigne. You talked about sharing. We may never agree on this, but let's set this question to one side.

Apart from the sharing arrangements, in 2007, 2008 and 2009, the scientific opinion identified some major problems. The government chose not to act, not to cut back fishing in a responsible manner, and today, questions of sharing notwithstanding, everyone has to deal with a 63% cut in the harvest rate.

My question is simple. What would you have liked the government to do in the last three years to try to prevent the current collapse for everyone?

● (0945)

Mr. Robert Haché: I'll answer your question in two ways. First, we and the departmental scientists don't have the same reading or the same fears about the crab stocks in the southern gulf. For a number of years, we've been telling the department what we see, and that's fortunate because we've always said that, if there's enough crab, that's fine, because, in that case, the entire industry can survive.

We supported the proposals concerning the stocks. The department even said at the outset that it was the traditional crab fishermen who had wanted to overfish. I explained to you why we were forced to support the 20,900-tonne quota. It was so we could have the minimum we needed, that is to say 13,000 tonnes, but we didn't do that unthinkingly, Mr. LeBlanc. We've been monitoring this fishery for many years. Until the mid-1990s, the crab harvests were consistent with the analysis done by the department's trawl survey. Then the scientists came to see us to say that the situation regarding stocks looked a certain way for the following year. That was consistent with what our fishermen themselves had forecast.

I don't know what's happened in the past few years, Mr. LeBlanc, but there is a complete contradiction between the stock assessment by the scientists and what we're seeing in the fishing industry. Take this year, for example; it's abnormal. This year, the catches per unit effort by fishermen have been absolutely incredible. While they say they've used the precautionary approach to reduce the quota, the department's precautionary approach is designed to harvest big crab, to keep big crab in the water. Mr. LeBlanc, we've never seen these kinds of monsters in the water before this year. Apparently everything we did in the previous years to fish them was wrong. However, there's a problem somewhere. In short, the facts aren't consistent with what Fisheries and Oceans Canada is saying.

I'm asking the committee to help us in accordance with this other recommendation: we'd like the committee to ask the minister to put a serious task force in place together with the traditional fishermen and the first nations to solve the crab stock assessment problem in the southern gulf. This afternoon, fishermen will be explaining these matters; we divided up the task.

There are two things: if the stock can't support the harvest volume from recent years, from 2003 to 2009, our efforts absolutely have to be rationalized. That's where the overcapacity problem comes from. If the stock can support that, the problem is a smaller one. I hope the stock is sufficient. However, you can't always say that it's the traditional crab fisherman who will pay the bill, that they'll pay the bill if it can't be supported. That's really not right.

The snow crab industry is the best example of a fleet of fishermen who have become accountable over the years. Now we're really

[*English*]

on the brink of destruction, or death by a thousand cuts.

[*Translation*]

There is overcapacity in the snow crab industry, considering all the sub-areas and all that. That's what's happening.

I don't know whether I've answered your question.

We accept the department's official opinion, Mr. LeBlanc, but in accepting it, we have to ask you to conduct an investigation to see what is going on because it's going badly. Furthermore, in our opinion, the stock may not be doing as badly as that.

[*English*]

The Chair: Monsieur Lanteigne.

[*Translation*]

Mr. Jean Lanteigne: I'll close by saying that the fishermen's observations were all excellent this year, the harvest, the crab quality. On this scientific opinion matter, I had a discussion with scientists in Moncton during the season, and I asked them whether they had gone to the docks and whether they got on board the boats to see the situation. I told them to go and talk to a fisherman to get his observations. They answered that they didn't have the time. So what's being done? Is the only scientific survey this trawl survey that's done once a year to assess what's in the water?

The fishermen on the water are excellent scientific partners, but their knowledge isn't being used and their observations are being disregarded. The scientists have to be allowed to come and work as a team, to be on the docks, to go to sea. We tell them to come and see what's really going on at the wharf, what the actual situation is.

● (0950)

The Chair: Thank you, Mr. Lanteigne.

[*English*]

That was the best use of 30 seconds.

Hon. Dominic LeBlanc: We have a weak chair.

The Chair: Mr. Blais.

[*Translation*]

Mr. Raynald Blais: I'm going to try the same tack as Mr. LeBlanc.

In fact, the situation is bad. Assuming what you're telling us is true, someone somewhere is not doing his job, or something is happening that is completely falsifying certain assessments.

Ultimately, I'd like to hear your opinion on assessment methods. There are various ways of doing it. I understand very well that a fisherman on his boat can easily assess what's going on at sea. That's one form of assessment. There are others. We know a lot of things about other places, but unfortunately it seems that our data on the ocean bottom are worth what they're worth. I'd like to hear your opinion on potential assessments. What makes an assessment of this type 100% reliable and others not?

I get the impression it's a combination. I get the impression that a good combination can really help facilitate matters and find the really valid orientation. Otherwise, it's like steering a ship: if you think there's no iceberg to the left and there ultimately is one, you hit it; it's automatic. I prefer there to be a kind of precautionary principle.

I'd like to know your opinion on the subject.

Mr. Robert Haché: That's a question I'm happy to answer.

The best example happened last year. The snow crab stock behaves weirdly from time to time. That happened in 2001 and again last year. The crab stock was scattered. It was scattered in small groups across the southern gulf. That made it a very interesting stock, but extremely hard to fish, Mr. Blais, because the southern gulf is big. When we just have small groups, you can miss them.

Last year, the fishermen noted that the harvest was tough. The fishermen in Quebec, in Gaspésie, and the fishermen back home had trouble harvesting crab. Similarly, in 2001, we had trouble harvesting crab as well. In 2001, some traditional fishermen left as much as 50,000 pounds of crab in the water because of its behaviour.

We have a scientific advisor, Professor Gérard Conan. He explained that to us. He told us that we could have very good commercial biomass, but very bad fishable biomass. That's apparently because of the way the crab is distributed in the water, as a result of cold currents and so on.

Mr. Raynald Blais: On the other hand, Mr. Haché, there is one undeniable given: and that's the cycle.

Mr. Robert Haché: Yes. We never said the cycle didn't decline. We're not claiming the cycle doesn't decline; it declines.

I simply want to finish. Last year, when they did the survey, they did it with their trawl in the same scattered biomass. So they found less crab, just as the crab fisherman had found less. The situation—

Mr. Raynald Blais: My problem is a problem of time, as you very well heard. I'll have the opportunity to put other questions to the fishermen who will be here later.

I'd like to ask Mr. Basque one.

Mr. Basque, you said you wanted to take measures, that the Mi'gmaq nation would eventually have to take measures, that is to say that it would have to adopt its own laws, its own system.

What does that mean in everyday language? Do you have any specific examples?

● (0955)

[*English*]

Mr. Jeff Basque: I am not a technical person who has much to do with the actual scientific work of managing snow crab. I would have to defer your question to other people who are not here today. It's a good question.

[*Translation*]

Mr. Raynald Blais: Mr. Basque, perhaps I was unclear, perhaps you didn't understand my question. It doesn't concern the scientists' opinions, but rather what you said earlier. Considering everything that is going on, you say you weren't consulted, that you were never consulted, that none of this makes any sense, and that you will therefore have to take extreme measures.

I'd like to know what the extreme or special measures you refer to are. Next season, will you decide to go to sea on such and such a date and fish a particular quantity? Will it stop there? How will you operate?

[*English*]

Mr. Jeff Basque: As I said before, we will consult with our people. We do have some scientific research in our own communities. We're going to be working with other Mi'gmaq nations, and we have already started doing so. We are basically going to have a framework that is in total contrast to the decision-making framework you have now.

As I said, the basic ideology is you take what you need, not more. You make decisions based on the science, not politics, as seems to be the case. We saw the cod fishery sink in 1992. Today we have the snow crab. Tomorrow it's going to be the salmon.

So there is a bit of space that the Mi'gmaq have inside the Canadian constitutional order that we're going to fill. As I said, we're going to be open to other stakeholders, considering first that the Mi'gmaq have priority access to this resource, unlike the other non-aboriginal fishers represented here in this room.

Conservation is key. As I said, we trusted the system, the Fisheries Act and the DFO regulatory regime. But let's get real here: it's not working. You're spending tons of money and the people who are deriving their livelihoods from the resource are paying for really bad decisions. It is just mind boggling, really.

One thing that we wouldn't do is muzzle one of our top scientists who has pointed out to decision-makers, “Listen, you have to cut. I'm waving the red flag here.” We wouldn't put a muzzle on the guy because he's giving us bad news. You have to make the tough decisions now when they are needed, in the interests of the future, or you're going to pay down the road heavily, because you're destroying the capacity of the resource to regenerate itself.

We do actually have an existing law that will be amended. We do have our own regulations. We're going to put those on the table today actually. I am meeting with the other chiefs of the Atlantic, and this is what they have agreed to do. Now, whether DFO decides to listen and take us seriously is its choice. We can work together. We can work against each other. Nobody wants confrontation.

● (1000)

We've been there. Listuguj has been there. We've had our resource threatened. The resource is part of who we are, and I speak specifically about the case of our wild salmon fishery. So it's the same with the other fisheries resources.

We hope to work with the stakeholders, the Department of Fisheries and Oceans, and we're going to work with our people. Right now we have almost a consensus, I would say, for what we want to do.

The Chair: Thank you, Mr. Basque.

Mr. Donnelly.

Mr. Fin Donnelly: Thank you, Mr. Chair.

I'd like to thank all of you gentlemen for coming out and sharing your testimony with the committee today.

I'm a new member of Parliament. I'm from the west coast. I was just elected in November, so I'm new to this process, but I'm very passionate about the west coast fishery, and certainly I'm very interested in learning about the east coast fishery.

When I heard the motion to look at the snow crab industry and for our committee to travel to the east and meet with you to hear your perspectives, I was very supportive and wanted to do that. In fact, I was a bit late in the process in trying to adjust our travel plans to include Shippagan as one of the places to visit. Unfortunately, I wasn't able to get in there in time to do that adjustment. At least we are here. We're hearing what you have to say, and I'm certainly hearing some interesting comments, given what we heard earlier from the department.

I want to pick up on the science issue, and I'll come back to that, but I want to go to Mr. Basque for a second.

We heard earlier from the department that there was in fact consultation with first nations on arriving at the decision it came to, and I'm struggling with that. Mr. Basque, could you just comment or clarify whether you were consulted on the decision that was arrived at?

Mr. Jeff Basque: I worked with a coordinator who is the assistant director of our natural resources department. You know, on this issue and notion of consultation, first of all, as aboriginal people, as Mi'gmaq people, we don't have the same notion of consultation, I think, as the federal government or provincial governments. I've seen the Province of New Brunswick's written notion of consultation, and it comes nowhere near meeting the definition, the standard, that is set by us and is set by the Supreme Court in its series of decisions concerning consultations. So telling a group of people like the Mi'gmaq, who have priority rights to this resource over other non-aboriginal users, stakeholders, what we're going to do and informing us what its intentions are and what it is going to do is not consultation.

Consultation involves hearing our concerns, taking them seriously, and acting on them at the strategic planning level, not after you've made a decision, not after you've made a policy. But this is what the federal government has done. Serious consultation has never considered.... Its decision clearly does not take into consideration the interests of the Mi'gmaq.

I've outlined a couple of points on this. I more specifically talked about the honour of the crown, which it has failed to uphold. On the consultation issue, no, we reject any claim that we were consulted.

● (1005)

Mr. Fin Donnelly: Thank you, Mr. Basque.

If I could return to the issue of science, in terms of the recommendations that have been made, maybe Mr. Cameron could provide his thoughts and comments on this.

Mr. Doug Cameron: I'll try to be brief. From 1997 to 2001, when we were acting under a five-year plan, industry contributed more than $2 million to the DFO to undertake science. We found, though, that after a few years, science was acting on its own and coming up with schemes and systems telling us what the results would be. They were suggesting the range of catches and all that sort of stuff. So we started to pull back on our financing; in fact we reneged on it.

I have found almost every year since, when we go to the science meetings, something new has happened without fishermen being involved. When we talk about the precautionary approach now, to my knowledge, fishermen were never involved in the process leading up to the final determination of the precautionary numbers that were mentioned.

Mr. Robert Haché: I want to specify this very clearly. We were involved in the establishment of the precautionary approach, but in the precautionary approach there were two aspects. We suggested an approach that was precautionary, but at the same time we indicated, and science indicated, to DFO that in order for the precautionary approach to work, the managers had to balance fishing capacity with resource availability. This is an aspect that DFO people did not mention to you this morning. The whole precautionary approach can work as long you have a viable industry to work with.

The other point I want to make is that when we decided to quit partnering with DFO, it was basically when people decided to establish this overcapacity in the fisheries on a permanent basis. We said we're not in the game anymore. This is the reason we quit our financing in 2003. In negotiating with DFO at the time, we had on the table an amount of $2.3 million per year, an investment from the industry to *améliorer* the science and the management.

The problem we've had in the last few years with this discrepancy between the industry and science in terms of the status of the stock is that if those investments were there, that problem would not exist. They're not there because for political reasons DFO decided to spread the thing all over and make everybody unsustainable in the long run.

These types of situations do not promote good management and good performance in the industry. That's another example. This is why we're saying we need to bring this to the Auditor General. This thing has lasted for too long. Everybody's struggling, and it's basic.

One last thing in terms of science. The problem we have is that what is happening in the fishery.... We don't say we know better, but the thing we see in the fishery contradicts what they say they see in their trawl survey. There needs to be an audit of that. Our scientists need to go with them to check that.

I don't know if that answers your question.

● (1010)

The Chair: Ms. O'Neill-Gordon.

Mrs. Tilly O'Neill-Gordon (Miramichi, CPC): Thank you, Mr. Chair.

I want to welcome all the guests here this morning, especially Mr. Cameron for coming from our neighbouring province. It's great to have you with us this morning.

As most of you know, I am the MP for the Miramichi area, and although Shippagan and Caraquet are not in my riding, they are close enough that I certainly have many friends and great acquaintances there. I'm happy to see Mr. Haché join us to work on their behalf this morning—and all of you as well.

Over the last week we have certainly been listening to many concerns and recommendations as we have travelled along the different areas. As we are here in New Brunswick, I'm wondering what recommendations and concerns you would like us to take back to our government.

Mr. Haché, I know you did mention the task force as being one recommendation, and I'm wondering if you could elaborate on that.

Are there any of you who have any other recommendations that you, too, would like to see us bring forth?

Mr. Robert Haché: The first recommendation would obviously be the support of this committee in our request for an audit of the management of the fisheries by the Auditor General. I think that would be a very useful exercise. The other one that would be very useful and practical is this idea of a task force—and you used a good word, Madame O'Neill—on the whole scientific process and assessment of the snow crab in the southern gulf, with the very strong involvement of industry in that process. I think these are the two-pronged main actions that at least we believe could bring this thing forward positively.

Mrs. Tilly O'Neill-Gordon: You also mentioned new entrants coming into the industry. Although we've known the snow crab fishery has grown over the last 10 years, do you think there are now too many fishers there and how do you see this as being remedied then if this is another obstacle? We know the obstacle about the biomass is one, but we're also facing this as well.

Mr. Robert Haché: Basically, here, it's a very easy principle, and it is within the policy framework of the Atlantic fishery within the department. You can establish a process, a schedule, whereby the last people who come into the fishery are welcome in the fishery when the commercial biomass can sustain them, and at a certain threshold—it could be economic, it could be a biomass threshold, or it could be in conjunction with the precautionary approach system—they are asked to leave the fishery. You have to make sure that you do not destroy the fishery in an effort to save another one. Then the whole purpose is dead. If you have a problem with one fishery, don't solve that problem with another one. You have to be careful at that level.

Our suggestion here is basically the same process we had between 1995 and 2002. In those years, new entrants were welcome in the fishery, and they participated, and during certain years they were not invited into the fishery. This is a way to *préserver le chèvre et le fou*, allowing for more sharing but at the same time protecting the viability of your industry.

These things can be worked out. You need to sit down and do it.

● (1015)

Mr. Jean Lanteigne: Mrs. O'Neill, I will add to that. We need to look at short-term solutions. We also need to look at longer-term solutions. I mentioned previously that some of our fishermen...it is mostly affecting the younger ones, the ones who don't have all kinds of money. They are tied up with all kinds of debts and all kinds of financing situations.

That would also answer part of Mr. Donnelly's questions, and also Mr. Byrne, when he was asking about the science part of it. We are working in silos. Scientists have their say and the fishermen say something else. We have to look to a new model. There's a breach of confidence right now and it doesn't work anymore. So we have to take time, sit down, and if we have to reinvent the wheel, let's do it. Let's try to find a way that this is going to work, because right now.... We just heard from the first nation, and they confirmed to us what we've been saying: this model doesn't work anymore. The fishermen just plainly don't believe what scientists are saying.

When we look at the longer term...right now you can't finance. There is not a damn young guy, 25 or 30 years old, who can go to the bank or a credit union, or wherever, and say, “I want to purchase from my father or my next door neighbour...and I want to get into crab fishing?” Are you crazy? Did you lose your head somewhere? It doesn't make sense. Who is going to fish? Who is going to take that *relève*? The answer from DFO is, “We don't look into that part; the province has to look at that.” How the heck can the province look into that when DFO is playing all kinds of political games? There is no way you can get an accountant to sign a pro forma that he can go to the bank with. The figures don't stand up. Nobody will do that, because DFO is playing a political game, and there's no way anybody can finance a licence.

So when you're saying, what do we have to look at, we have to look into the long term and how we're going address that. Who is going to go fishing? Who is going to take that crab, or that shrimp, or those scallops, or whatever it is out there?

Mr. Frank Hennessey: I'm hearing again about what we should do. We went through this before in the cod moratorium. We were never going to repeat the mistakes of the past, but we seem to be good at it. We like to criticize science. No, they're not right on with what the fishermen are saying. We did that in 1992 or 1993. Science drove the cod fishery down to a low TAC. We said, “You're wrong.” The size of cod and the condition of the cod were excellent. Our catches per unit effort were never so high. We said, “This is what you wanted and we're there.” “Yes, but we're not seeing recruitment. We have a major problem.” Nobody listened, and we kept at it.

Science today on crab is saying the same thing. It's my understanding that there's a large loss of females. The recruitment in juveniles is not there to the extent they want to see, and they're worried. Yes, there are good catches this year because there are fewer fishermen on the water. They've got a smaller amount to catch, so you catch it quick. The crab that are being caught are big, they're big crab, and they're full. There are areas where they're not showing up. There are areas where things are going right fast. I think we should be very cautious.

As a fisherman, I'm tired of listening to the politics that cuts my wages, and the people involved don't.... I think a good way to run the department would be that part of their wages should be based on the biomass in the water. If they can rebuild it, they get an increase in wages; if not, they lose.

What we're going through is ridiculous. In the 1970s, we had Atlantic Canada management, which worked pretty well. Pretty well the whole system in Atlantic Canada was based on the same rules and regulations. You went to a meeting, generally the whole works.... We used to do 53 ground stocks in three days. Everybody was treated the same.

Then, to make it better, we went to regional management. Then, to make that better, we went to area management. Then we went to micro-management. Then we went to crisis management. Now we're in co-management, because the managers have taken in the industry to help manage. You pretty well see in any business where you take in new managers...the managers aren't doing their job; they're making a mess of it. That's what happened.

In all these years, the fisheries got worse, the fishermen got less, and the department stayed the same. In fact, it's better. At one time, DFO meant the Department of Fisheries and Oceans. Today it's pretty well the Department of Fisheries Officials, because they're the only ones sustaining their own biomass and rebuilding—fisheries employees.

It's a disgrace. I'm getting tired, after 40-some years on the water, of seeing the mess and where this thing has ended up. All we're doing is studying.

I mentioned the cod in 1993. I want to give you an example. If you can all remember, the first thing that came out was the dumping, discarding, and misreporting model, where the fishermen were liars, crooks, and blackguards who ruined the fishery. That went across Canada. That's still there today. But three years after the fishermen came off the water, when we were telling them something was wrong, something had been wrong for ten years, but they had it all factored in. They were doing their studies every year. The fishery stocks were still going down devastatingly fast with nobody on the water. So they started to do a natural mortality model. Natural mortalities point to 20% of the stock—something killed besides fishermen.

After they finished their model, all of a sudden in 4T it was 0.4%. They took that 0.4% back to 1986. That's what destroyed the fishery. It wasn't all fishermen. We killed fish; that's what we're supposed to do.

But that's never been corrected. Now science is saying natural mortality in cod is 0.8%. It's never coming back, but we had a couple of thousand tonnes of fish, and to manage the fishery and rebuild it, they took the fishermen off the water.

Those are some examples. Our policies and our management aren't working in the fishery we have today.

Unemployment started in the fishery in the 1950s. It was to supplement the fishery. Now the fishery is only supplementing the unemployment. This whole thing, the fishery, is turning into a make-work project for stamps. It's nothing but a disgrace for the industry we had in Atlantic Canada and where it's led to—gone. I'm terribly scared that we've gone too far.

When we don't want to repeat the mistakes of the past, we should read what the past was all about.

Thank you.

● (1020)

The Chair: Thank you very much, Mr. Hennessey.

Gentlemen, on behalf of the Standing Committee on Fisheries and Oceans, I want to thank you very much for coming this morning and taking the time to meet with us, to share your comments and thoughts and to answer our questions. It's greatly appreciated.

We'll take a short break while we set up for our next guests.

● (1020)

(Pause)

● (1035)

The Chair: We'll call the meeting back to order.

Gentlemen, thank you for coming this morning to address the Standing Committee on Fisheries and Oceans. We really do appreciate you taking the time out of your busy schedules.

I believe you've all been made aware that we allot about four minutes for opening comments, presentations, and then we'll proceed into questioning by the members of the committee. If there are no questions at all, we'll proceed right into the opening comments.

Monsieur Blanchard, if you would like to begin....

[*Translation*]

Mr. Serge Blanchard (As an Individual): Good morning, my name is Serge Blanchard, and I'm a crab fisherman. I started in 1987 as a deck hand. I became a captain in 1991 and I've been the owner captain of the *JPF* since 1995.

In 1995, if my memory serves me, I had an allocation of 240,000 pounds, and that was my best year because we got $3.75 a pound. From that moment, we were labelled millionaires. The co-management agreements started the next year. After that, it always varied. I had tough years in 1998 and 1999, with quotas of 165,000 pounds and 180,000 pounds, but there was no sharing in those years.

Twenty years on, it's worse than it was at the start. I have to pay all kinds of fees that previously didn't exist: licensing costs, at-sea observers, black boxes, dockside weighing, all kinds of travel for meetings with the department. We even have observer planes flying over our heads. Ultimately, there are fewer resources because there are too many fishermen.

In fact, [*Editor's Note—Inaudible*] to fish, Fisheries and Oceans Canada doesn't let us buy other kinds of licences. I have a groundfish licence, but, as a result of the 1992 moratorium, I only have crab to support myself.

I bought my boat and licence in 1995 with that kind of allocation, but since then Fisheries and Oceans Canada has come and taken some of it and given it free of charge to other fishermen, allegedly to rationalize. I paid for crab that I've never fished. With all that, even if I could buy other licences so I could become profitable again, I have no guarantee that Fisheries and Oceans Canada won't start up again and give my allocations to someone else free of charge.

This year, I think I lost about $80,000. If I had gotten my full quota, I would have lost less. I can't continue losing money this way for long. In addition to all this injustice based on the false idea that I'm a millionaire, I find it increasingly hard to pay my crewmen honourably. It makes no sense.

This year, it's the worst of situations: new access fishermen got more quota than I did. Up to this year, they had to choose between fishing crab or lobster. This year, they're doing both at the same time, crab and lobster. According to what Fisheries and Oceans Canada originally told us, we had to cut back the lobster fishing effort. They've simply added other fishermen to our fishery.

Thanks for coming to listen to us. To get a real idea of my situation, I invite you to come and see me on my boat. If you have any questions, I'll try to answer you to the best of my knowledge.

The Chair: Thank you, Mr. Blanchard.

Mr. Duguay, go ahead, please.

Mr. Marius Duguay (As an Individual): Good morning. My name is Marius Duguay, and I'm a member of the ACA and a crab fisherman-owner. I started fishing in 1988, in the early years of the crisis. Now it's 2010 and we're in a full crisis. It's quite something. When I started, there was a competitive fishery and we used individual quotas to protect ourselves, so we wouldn't have to experience the same situation as the industries for cod, redfish and other species.

We've now wound up in a situation like today's, and yet we believe we've done everything, as my colleague Mr. Blanchard said; we followed all the fishing procedures, monitoring white crab and protecting females. Today we realize that it's produced no result and that the industry is in poor shape. As was said earlier, politics has created the current situation. We can't get around it; we're right in it. Those who don't want to see it are putting their heads in the sand, and that's too bad.

I'm going to talk to you about the quotas recommended in 2009. According to the recommendation by DFO officials, the 2009 quotas were 19,200 metric tonnes. The traditional industry recommended 20,900 metric tonnes, as you can see on the first chart. A departmental spokesperson told the CBC that the fact the traditional fishermen requested too large an increase in quotas last year caused a 63% cut in quotas in 2010. It's really disheartening to hear that. In fact, they always blame the fishermen, especially the traditional fishermen.

When my father started fishing, he was one of the early ones, around 1968. Today, when you hear these kinds of things... My father's no longer here, but I know he wouldn't have liked to see what's going on today. I'm glad he doesn't have to go through what we're experiencing because my father worked hard for the first 15 years to develop a fishery that the Acadians of New Brunswick and Quebec started to operate. Seeing where we've come today is really disheartening.

The department blames us for requesting a quota of 20,900 tonnes, whereas it recommended 19,200 tonnes, and it justifies a 63% cut in the media by blaming us. We have broad backs and this has been going on for a long time. The situation on the peninsula right now is disheartening. The region's main economy is being blown apart. Some politicians say they agree with us, but not on certain sharing arrangements because they have to take electoral considerations into account. It's disheartening that people use the industry like a life buoy for everyone in the fishing sector, whether they're lobster fishermen or cod fishermen.

As a result of this situation, we hope you'll support our demands as fishermen, as our representatives have asked you to do. We are here to represent the traditional fleet, but we also represent crew members. In 90% of cases or more, these are family businesses. Plants are lacking supply as a result of certain decisions. We haven't arrived at this pass in one year; it's the result of a number of years of political decisions. The elevator can go up, but one day or another, it goes back down. We told Minister Thibault that in 2003.

● (1040)

Today, we're in the basement.

We made the same presentation to you in Ottawa. Today we're here doing it again. We predicted what was going to happen. In 2010, it will be even worse.

Thank you very much for listening to us today.

The Chair: Thank you, Mr. Duguay.

Mr. Gionet.

Mr. Joel Gionet (As an Individual): Good morning.

My name is Joel Gionet. I've been fishing for crab since 1983. I started as a crewman on the family boat and, in 1990, became a captain among the crew. I'm still captain in 2010. So I've lived through the last three cycles. I saw the bottoms of the three cycles. The first—the worst—was in 1989-1990, the second in 1999-2000, and we're now in the third, this year, in 2009-2010.

At the end of each of the last two cycles, we never cried out; we never said anything. We knew we were going to take advantage of every effort we made for the resource. This spring, when the minister announced cuts in harvest rates of more than 60%, I believe all the guys were expecting cuts. Starting in the early 2000s, everyone around the table knew we were going to exploit the stock a little more extensively than in the last cycle. However, I don't think anyone was expecting such draconian cuts.

At the same time, to throw a little oil on the fire, the minister announced the “stabilization of new access” until 2014. Scientists are ringing alarm bells, and the minister makes a nice statement that she's stabilizing new access until 2014. Two or three weeks later, she announced cuts of 63%. This is an enormous problem for the traditional crab fishermen.

Then the department pulled itself together and found a solution: lay off the members of our crews and group together two or three on the same boat to fish so that we can make room for newcomers. That's the solution they found. Pinch me, someone! I don't think there's any logic in these kinds of decisions.

Thank you very much. I'll be pleased to answer your questions.

● (1045)

The Chair: Thank you, sir.

Mr. Haché.

Mr. Donald Haché (As an Individual): Good morning. I'll introduce myself: my name is Donald Haché, and I've been fishing since 1983 as well.

Everything that's going on in this industry and that DFO is doing makes no sense. In economic terms, I won't last long in this situation if it continues. I've been a captain since 2001, and we're all discouraged. It makes no sense.

Thank you.

The Chair: Thank you, Mr. Haché.

Mr. Godin.

Mr. Aurèle Godin (As an Individual): Good morning. I've been fishing for 34 years, as a crewman and an owner. I'm going to talk about the human aspect, since my fellow crew members have pretty much said what there was to say about politics, research and so on.

I have four crew members on board, and they are all members of my family. When I arrived this morning, I told them they were going to die. Those are the exact words I used. I told them I couldn't give them what I didn't have. I've only been an owner for five or six years. I told them I could only give them 12 employment insurance stamps, $1,000 a week, which totals exactly $12,000. Who here can live on an annual income of $12,000? Not a lot of people, isn't that right? That's the reality.

These men have been fishing with me for 25 or 30 years. I'm speaking generally, about all the boats. On average, all the men in the fleet have about 20 years' experience. When we tell them they're going to die, what do you think those men think when they go to bed at night? I put myself in their shoes. We talk about this and I feel sick. It's unrealistic.

In life, you do a job, and it's so you can earn a living. Then we're told that tomorrow morning we're going to die. I don't know but if you have a shred of humanity, you're going to think that what has happened makes no sense. It's hard to talk about that. I look at all the fishermen. I've been in this occupation for 34 years and in two or three years we'll be putting it all in dry dock. Already 10 or 20 of them are up on blocks. The northeast will become like Newfoundland: a ghost country.

I hope you understand the situation with the fishery and fishermen. People no longer know what to think. When a father tells us he won't even be able to pay his daughter's university tuition fees, I say like the other guy, “It's all on the chopping block.”

Thank you for listening to me. If you have any questions, I'll be able to answer them. I'll be pleased to speak to you.

● (1050)

The Chair: Thank you, Mr. Godin.

Mr. Noël, go ahead, please.

Mr. Hubert Noël (As an Individual): Good morning, ladies and gentlemen. How are you?

My name is Hubert Noël and I'm originally from Lamèque, New Brunswick.

I belong to a family of white crab fishermen. I've been doing this job for 20 years. The announcements in the spring gave me the impression of going back 20 years. I'm part of the new generation. As a result of the political decisions such as the announcement on March 8, in which the Minister of Fisheries and Oceans maintained the fishing effort at approximately 400 boats, I no longer know what kind of future I can anticipate as a father.

In the last collapse, in 1989-1990, we had 130 boats facing the challenge of increasing and stabilizing that resource. We managed to do it by investing tens of millions of dollars in cooperation with DFO. In 2003, the federal government thanked the traditional crab industry for investing millions of dollars and for properly managing and protecting the resource, but notified it that the surpluses generated wouldn't fall to it. They would go to fishermen with so-called problems in other fishing industries.

I dared to believe that Canada was a country where a free enterprise employing five or six individuals was entitled to be viable and prosperous. Don't forget that crab and lobster aren't inextricably connected, in our case. If we hold a licence for area 12, we aren't entitled to hold other licences, for lobster, scallops or herring, for example, which are the private preserve of the inshore fleets.

Now I'd like to tell you about my fears about the unexplained losses—according to the scientists with the trawl raft. This is very important. On the first page of the documents, reference is made to commercial biomass that was harvested for 2009, that is 44,700 tonnes. That doesn't count juveniles, females, small fish or babies. These are all crabs of 95 mm or more, with big claws. This is real commercial crab.

In the other column, it states that 20,900 tonnes were fished. According to the survey subsequently conducted, approximately 25,000 tonnes should have been left in the sea, but only 9,300 tonnes were found. That means that 14,500 tonnes were lost. We don't know where they are. They disappeared. Did someone steal them? We don't know.

The second page deals with annual estimated crab losses in area 12 since 1998. As you can see, those losses have been significant. Two thousand and five was a very good year for crab. The tonnage was high in the gulf. We didn't find 26,000 tonnes. That's equal to the total biomass for this year. In 2005, we lost that.

In the first column on the last page, it states that the quota landed by traditional crab fishermen was 13,622 metric tonnes, which made it possible to operate the entire traditional fleet and the plants in New Brunswick and Quebec. The entire industry operated on that last year. This year, we're told we've lost 14,500 tonnes. That's equal to last year's production, and even more. That means that there is a problem with the survey and with the scientists. We have to ask ourselves some questions.

Thank you for listening to me. I hope some light will be shed on all of DFO's actions. If you have any questions, I can answer them.

● (1055)

The Chair: Thank you, Mr. Noël.

Mr. LeBlanc.

Hon. Dominic LeBlanc: Thank you, Mr. Chairman.

Thank you for your presentations, gentlemen.

I have two questions, and perhaps my colleague, Mr. Byrne, will ask other questions if we have any time left.

Here's my first question. Apart from the issues of sharing and newcomers to the fishing industry, what do you think the industry, or rather the department, since it is responsible for this, could have done from 2006 to 2009 to avoid or limit the current crisis you're facing? Setting aside the sharing issues, is there anything else that could have been done to avoid the 63% reduction? That's perhaps one thing we will agree on: a 63% cut in one year makes no sense.

I come to my second question. Mr. Bevan, and Mr. Blanchard earlier this morning, tried in a way to rule out the economic profitability argument that you advocate somewhat eloquently. According to that argument—and this is something we often hear—if you had gross revenue of $800,000 for one year and had a loss of $80,000 or $100,000 that year, over a period of five of 10 years, and not for any single year in particular, the balance is nevertheless positive. Any other business has a certain obligation to retain its undistributed profits.

How do you react to this argument that Mr. Bevan advanced this morning, that a lot of businesses go through cycles in which income may be $800,000 one year, fall in other years and increase again? I won't conceal the fact that this is an argument that has often been used and that has a certain public appeal. Here's a chance to explain to us why that argument is not valid.

Mr. Joel Gionet: I'll try to answer you.

Thank God we can make $800,000 in a year because, if we couldn't do that, we wouldn't be here before you. Mr. Bevan, this morning, the only figures that he presented... The message to the public and in the media is always the same: they say crab fishermen earn gross revenue of $800,000. It's lucky that happened once in 10 years.

In 2006, we were paid $1.10 a pound for crab. In 2007, that increased to nearly $2. This year it was nearly $2 again. The prices of $3, $3.50 or $4 that were offered in 1994, 1995 and 1996 no longer exist. You have to stop dreaming in colour. The Canadian dollar is virtually at par with the American dollar. Most of the crab is sent to the United States. The “crab Klondike” no longer exists. I'm not saying it didn't exist. For a number of years, it was very good, but I believe that time is passed and over, particularly in view of the current number of fishermen.

In the gulf, I calculate that there isn't a single square mile where fishing isn't carried on, even in places where, 20 years ago, no one would ever have thrown a trap into the water because there weren't enough crabs for the fishery to be viable. Currently, every corner and square kilometre is full of traps. There used to be large areas where there was virtually no fishing. I believe that enabled stocks to replenish. Today, there are a lot of areas everywhere. There isn't a single sector where there aren't any traps.

If you can make money one year in 10, I think you deserve it. I don't understand why people attack specific fiscal years. It's always the same thing. Mr. LeBlanc, it was the same thing in 1995. To justify the sharing agreement in 1997, they once again stated that crab fishermen had earned $800,000 in income. There was one year when that occurred between 1990 and 2000, and another between 2000 and 2010. Thank God, because, as I said earlier, we wouldn't be here.

With an average income of about $175,000, as is the case this year, depending on the quotas, it's impossible to manage a fishing business such as ours. You need revenue of $300,000 or $350,000 gross. Otherwise it's impossible. How am I going to build a new boat? How am I going to change my engine, which costs $150,000?

Obviously someone who's been fishing for the past 30 years has accumulated some money, and so much the better for him. It's like everyone here around the table: you work, you reach retirement, and you've accumulated some funds. I believe a fishing business also has to accumulate funds. However, it's always the same thing with Fisheries and Oceans Canada and with politics. We're told we made $800,000 and we're condemned for that.

● (1100)

Hon. Dominic LeBlanc: I don't want to interrupt; you're quite eloquent, but I asked two questions, and the chairman's going to interrupt us soon. You always come back to sharing issues, and I understand that. Perhaps we'll always be in disagreement on that subject. However, apart from sharing, are there any other things that the department could have done in previous years to prevent the reduction that everyone suffered this year?

Mr. Hubert Noël: I may have an answer to give you. It concerns sharing. In 2005, I believe, we submitted a plan to the Department of Fisheries and Oceans. It was a gradual plan that offered something for everyone. When a newcomer had 30,000 tonnes, he had more quota at the outset than he does now. At a certain threshold, they would have let the quotas rise. In lowering the quotas, they let the resource breathe. Do you understand what I mean?

Hon. Dominic LeBlanc: I remember that plan, which had some merit. However, you went back to the sharing issue.

Can someone offer another option, apart from changing the sharing arrangements, that might have prevented the current crisis?

Mr. Joel Gionet: I think that a crisis like the one we're going through today may be foreseeable. I think we'll be going through a crisis every 10 years. In fact, there won't be crises all the time, but there will always be a year when the biomass will be extremely low. For example, Mr. Moriyasu said this morning that, in 1995, the commercial crab biomass in the gulf was assessed at 150,000 tonnes. We had a quota of 20,000 or 22,000 tonnes. In those years, we were accumulating crab on the bottom: we fished it very little. However, in 1999, at the end of the cycle, the crab that had accumulated by hundreds of thousands of tonnes was dead. We had accumulated all that for nothing. We weren't able to fish it because it was dead. That's why, starting in the 2000s, everyone agreed that, in the next cycle, we would engage in slightly more intensive fishing. It's good for the economy because it provides work for people. It's good business.

At the end of the cycle, we realized that the levels were similar. If you compare the total biomass from 1999 to that in 2009, you'll definitely see that the 2009 level is slightly lower, but the levels are nevertheless similar. There's a difference of a few thousand tonnes, but it's nevertheless similar. I think that, in the period from 2009 to 2010, we fished for crab slightly more intensively—perhaps even too much so. I nevertheless think we were right to do so. If we had accumulated the resource, that doesn't mean that that crab would be at the bottom of the sea today—it might have all been dead.

I think that answers your question.

● (1105)

The Chair: Thank you.

[*English*]

Monsieur Godin, you wanted to make a brief comment?

[*Translation*]

Mr. Aurèle Godin: The second question concerned the solution for protecting the resource. I can't help but laugh. I wonder why you found a solution for the aboriginals so that they could have crab. You freed up $500 million and bought licences for the aboriginal fishermen. I have nothing against that. You bought up quotas that didn't affect mine.

I'm going to answer your question on the way to solve the overfishing problem. I spoke to three lobster fishermen. It's not because the lobster fishermen come into my fishing area that we are at each other's throats. They told me last week that the solution to this problem would be for the government to release some funding, as it did for the aboriginal fishermen, and buy out the licences of fishermen who want to retire. They can tear up those licences. How many are there? One hundred in one fishery and 66 in the other? They'll live on what there is in the water and each will preserve their resource. I think that's the best solution to the problem. It's better than testifying before the committee, fighting to try to find solutions and saying that we have to prohibit others from entering our own fishery. You all heard what my fellow crew members said about the fishery. This is a solution that can be considered.

When the government released funding for the aboriginal fishermen, they approached my father to ask him to sell his licence, but he thought about us. He said that, if he sold his licence to the aboriginals, he didn't know what would happen to his children and his grandchildren. I talked about that earlier, with regard to fishermen. I answered that I was going to buy it, that I was going to put my head on the chopping block. I knew what was coming with sharing. I put my head on the chopping block. Half my head was cut off.

We talked endlessly about solutions. There are solutions, but you have to find them; that's all. I believe that, to solve everyone's problem, the government should draw on citizens' money, tear up licences and ensure that we limit ourselves to our own fishery and that we take care of it. That's what we've done. I'm not boasting. We've already seen crab decline. In some years, we weren't able to reach our quotas. No one came and helped us; no one found funding to support us. As one fisherman said, there were 50,000 pounds of crab in the water. We didn't cry; we took charge of our situation, and we decided to set quotas per boat, to pay observers, to pay for everything if necessary and to be profitable. Once we were profitable, the government kills us off. It's illogical.

There's a solution to every problem. We have to talk about it. The suggestion I'm making, that the government find funding for the fishermen, is hard to hear. The fact remains that, if there is no more resource, it's not the fault of the traditional crab fisherman. Even if you told me we're the ones who destroyed our resource, I would answer that's not true. It's the crab fishermen who constituted it. When we said we were going to set quotas per boat, there was enough for 130 fishermen. Today, the government has authorized 400 boats and 38,000 traps in the water. Joel Gionet said there isn't a single square mile where fishing isn't being carried on; that's too much. I would limit the perimeter from here to the chair. You have to tell the truth.

● (1110)

The Chair: Thank you, Mr. Godin.

Mr. Blais.

Mr. Raynald Blais: Thank you very much, incidentally, for all kinds of reasons. What you're telling us is quite moving. I'm sure you also share your confusion and dismay with others. We're going to be hearing from other people; we've already heard from some, from real fishermen, and plant workers. When I think of them, when I see them, I am sensitive to their situation, and I believe you are as well. These people are a bit stuck—we'll be able to verify that shortly—they don't have a lot of room to manoeuvre.

Lastly, you're telling us you're currently at a point where it's a little more difficult to change direction. The solution was to cut the number of boats, and that had a harmful effect on fisherman's helpers. That made it possible to stabilize incomes, but it had a harmful effect, which was very hard to accept.

I'd also like to hear from you on other topics so we can retain that information. I'd like you to tell me a little about seal and Atlantic wolfish. As you know, that's a file that I very much defend, that our committee will also continue to defend. I would like to hear what you have to say on that subject. Someone will definitely have something to say on that subject.

I understand from what you're telling us—you'll tell me if I'm right or wrong, and probably we'll hear the same thing this afternoon—that trust has disappeared. That's serious; it's more than serious, and I'm at that point as well. I'm putting questions to the people who make decisions and, at some point, I wonder about the trust I can give them. A decision was made, the quotas were cut by 63%, but we're not correcting the effects, we're not cleaning them up, we're not talking about them anymore; we're talking about the species, but we're no longer talking about the human impact this can have or about the amounts of money we should allocate to it. The human impact was observed in the automotive industry, the forest industry and other fields, and it's a double standard, a triple standard. It hurts, and it undermines trust.

I'd like to hear you say a little more about the seals, but more about this matter of trust.

Mr. Aurèle Godin: With regard to seals, I monitor this situation constantly. Some guys earn their living hunting seal. It's an animal, but what are you going to do, they have to hunt them to sell and eat. They eat seal; it's food.

I was watching *Le Téléjournal* from Montreal and they were saying that seals have to be killed on Sable Island. Why? To drill oil wells? Fishermen are told they aren't allowed to kill seals because blood spreads over the snow. Something's not right. It's not normal to hear that. Yesterday, in the report, they said seals should be sterilized, that there were too many on Sable Island, but why? There are hunters asking to hunt seals because there are seven million of one species and 650,000 of another and they don't want it. Why?

Mr. Raynald Blais: Seals eat the traditional small crab, the snow crab?

Mr. Aurèle Godin: Yes. Let's say that, tomorrow morning, I lock you up in a cupboard and leave you there for a month. When I let you out and I give you an earth worm, you're going to eat it, aren't you?

Some hon. members: Oh, oh!

Mr. Aurèle Godin: Nod to say yes because I'm a bit peckish and I'm going to eat all the bait.

Mr. Raynald Blais: I'll even eat two or three. Sometimes you eat them and you don't know it.

Mr. Aurèle Godin: A hungry seal will go to the bottom of the sea and eat anything: lobster, crab, cod; it swallows whatever it can, if it can digest it. It's like someone who can eat fatty steak, but one day he'll get indigestion.

Mr. Raynald Blais: Tell me about the element of trust now.

Mr. Aurèle Godin: We no longer have any trust; we no longer know who to believe. Why are we here? Because there was no trust. No one trusts anyone anymore. We have to set the record straight. If I give you a glass of water, drink it, but don't put any vinegar in it.

We have to trust each other in order for the resource to be good again. As I told Dominic LeBlanc earlier: there are solutions, but we mustn't tell each other lies. We have to sit down, find the problem and solve it.

Perhaps I'm going to make you laugh, but it's as though I drank five beers and told my wife that I had drunk two. She would tell me I'm a liar, wouldn't she? That's what's happening. We tell each other too many lies and we're not listening to each other enough. You have to listen to the fishermen and to the biologists as well in order to preserve the resource. It's nice when everyone smiles.

Tomorrow morning, if I see my neighbour, a plant worker whom you talked about earlier... At the time, I made some sandwiches and took them to him. Don't you think that made me feel sick? The man had a salary of $4,000; what do you want him to do? They must be good accountants because I can't imagine how they manage at the end of the year. That's the situation: people are dying—I'm choosing the right word; that's it.

The fishery is finished; the boats are finished. Go down the peninsula, go into the houses and open the refrigerator of a plant employee and see what's there. Maybe your heart will be as heavy as mine was earlier.

● (1115)

Mr. Joel Gionet: I would have liked to make a few comments on your two questions, Mr. Blais.

First, we've seen seal in the gulf in the past 10 years like we've never seen it before. Everywhere we see little heads popping out of the water all around the boat. There are so many that, for a few years now, a number of fishermen have been catching whole big seals right in the traps. Probably the seal goes down to feed in the trap, then can't get out and drowns. When we bring it up, it's dead. That increasingly happening.

With regard to your second question about trust, I think we had the best example of that this morning. When the Fisheries and Oceans Canada people were seated here, we were seated at the back of the room. Do you see any Fisheries and Oceans Canada people listening to us now? That's a lack of trust.

Thank you.

The Chair: Thank you.

[*English*]

Mr. Donnelly.

Mr. Fin Donnelly: Thank you, Mr. Chair.

Thank you all for coming today and providing your testimony to the committee. It is appreciated.

I want to go on a slightly different track. I have two questions, and anybody on the panel can feel free to answer.

If we're to accept that there is a new reality of fewer crabs in the water, if that is in fact the case, and even given that there may be a rebound in the coming years, can you provide any comment on your thoughts about value-added marketing or marketing your products in a new or different way? Has thought been given to that, how either to produce a different product or to open up different markets?

Second, if the current management model is not working—and there was reference back to days when there was a better situation in place—what needs to be done to get back to that management model or to a model that you feel works?

I'll open it up to anyone who may want to take either of those questions.

[*Translation*]

Mr. Marius Duguay: I used to own a plant, but, given the circumstances, I had to sell it. The whole industry is sick. Today, we're simply fishermen and owners. There's a lot of talk about value added. On the Acadian Peninsula, the Japanese producer Ichiboshi manufactures value-added products. There are niches, and some things have been tried. It used to be about "staggering", but now it's in sections. There's one market for raw brown crab and another for cooked crab. There's also whole crab.

In the 1990s, when we were owners, we tried a lot of things and we invested a lot of money. The Americans came and simply wanted things to be done in a certain way. They wanted tunnels with automatic [*Editor's Note—Inaudible*]. The Japanese feel that since they're buying, they're the ones who decide. If they want a particular division, whether it's M, L, 2L or 3L, they want it done their way. In Newfoundland, they want crab for “staggering”, which is crab of poor visual quality. They buy a lot based on visual appearance. A lot of work has been done, but it's not easy. We're not saying that nothing can be improved. Improvements are needed. There's always room for improvement. We have to try something new. Work has been done and is still being done.

You also asked what could be done to prevent a situation such as the one we're currently going through. It's quite simple. Mr. LeBlanc said that, apart from sharing, the major problem is crab fishing overcapacity in area 12. The problem is quite simple. The sharing system was applied when it was time for it, and when it's not time for it... It was shown that it worked. In the late 1990s, we experienced these cycles, and we managed to cope with them. There are simply too many people involved in this kind of fishing. Otherwise, we wouldn't be here today. How to solve the problem? The solution is easy. It's unfortunate that not a single DFO official is here to hear us. It's disheartening to see that. This is an opportunity to understand the situation of the fisheries in Canada.

In Canada, the fisheries are sick for one simple reason: people are no longer connected to the reality of the fisheries in Canada. Journalists are here to listen to us, but DFO isn't here. That's incredible. It's disorienting for the industry. People may not think we've come here. Why is that the case? You have proof. We didn't invent the situation. We've gotten to the point where we wonder whether people really want to hear what we have to say. We're pleased to be meeting with you today and to ask questions. Do you understand what we're saying? We're fishermen, not public servants or politicians. We live from crab-fishing. We're testifying on behalf of the entire industry, whether it's the plants, the deckhands or everything that affects the industry. The problem has to be solved.

The government has to stop managing our fisheries in a political manner. That's clear. A politician says he isn't on the same wave length as we are with regard to sharing and that we're going to move on to something else. What can we do? You always say we have to set sharing aside, but that's not the real problem. Back home, the sun rises in the east and sets in the west. It comes up every morning and goes down every evening. The problems we're currently experiencing are as real as the movements of the sun.

● (1120)

We're coming back to the elevator that goes up and goes down. Some people are closing their ears right now and want to believe this isn't the real problem. It's the real problem. We have political management of the fisheries right now, across Canada. Where's the fish here? Right now, the redfish that supported the residents of the Acadian Peninsula has disappeared. There's no more cod or plaice. We can name them this way indefinitely. The fishing industry in Canada is sick because there have been political decisions and politicians say that sharing is not a problem. They tell us their position is different.

One thing is clear. Here a rock is a rock and a glass of water is a glass of water. We see that the industry people have not been listened to. Now there's a price to pay for that, and it's a heavy one. The industry is in poor shape and really in a state of crisis. It shouldn't be like for a fishery that's managed as well in terms of dockside weighing, at-sea observers, individual quotas and management. It was a model of its kind.

Mr. Moriyasu was seated here this morning. It's unfortunate that he and the other Fisheries and Oceans Canada representatives didn't stay. In 1994, after we had turned ourselves around four years earlier, he said that our industry was a world model, that we had worked jointly with them for it to become a world model. Mr. Moriyasu told me that the scientists and fishermen had developed a world model. Today I realize that these people aren't even in the room. Everybody's at the bottom of the hole and hiding. As for us, we're not hiding from telling the truth. The truth is there and we're going to say it. We hope our message will get through and reach Ottawa and that there will be concrete action.

● (1125)

[*English*]

The Chair: Mr. Allen.

[*Translation*]

Mr. Mike Allen: Thank you, Mr. Chairman. Thanks to everyone for being here and for your comments. They were very interesting.

This morning, Mr. Bevan said the department took into account fishermen's comments on the quotas recommended by the industry in 2009. Do you know the fishermen who made those comments?

[*English*]

Do you know the fishermen who made that presentation to say that the quota was too low and that we should go with a 20,900-tonne quota? Was it part of any of your fishermen's associations that commented to Fisheries and Oceans?

[*Translation*]

Mr. Joel Gionet: Some participants distributed a table to you. Do you have it? All right.

Last year, the department assessed the biomass at approximately 45,000 tonnes or some 44,000 tonnes. The previous year, the biomass was estimated at approximately 48,000 tonnes. So there was a decline in biomass of approximately 4,000 tonnes from one year to the next. The scientists' figures on pre-recruits, recruitment—it isn't enough simply to verify biomass; you also have to check to see who's entering the fishery and what the new recruitment will be for the following year—was approximately 43 or 47 million specimens for 2009. With all that information, the industry's five or six crab fishermen's associations suggested to the department—since it wanted to reduce the quotas to 19,200 tonnes based on the scientific assessments of recruitment, pre-recruits—that it was also all right to set them at 20,900 tonnes. The difference was only 1,700 tonnes. We said to ourselves that we could reassess the situation the following year.

This year, the scientists have changed all the figures. The pre-recruits from last year no longer represent 47 million specimens, but only 31 million. That's what's happening on the scientists' side. The figures change every month or every six months, and they change constantly. They submit figures, we study them, we have them analyzed. Six months later, we're told that there was a mistake, that it was a cut-and-paste, that the figure shouldn't have been there. That changes all the figures. All that to tell you that, if the department, or the minister, had followed officials' recommendation to set the quotas at 19,200 tonnes, that would have done absolutely nothing to change the present situation. We would be at the same point.

● (1130)

[*English*]

Mr. Mike Allen: You're taking me to my next question.

My understanding is that each year the quota is based on three major things that are done: your catch per unit of effort; the post-season trawl survey; and the collaborative trap survey done with the harvesters.

I'm just trying to understand how this plays out over time, because all that data would presumably go to DFO and the scientists would make a decision on it.

Have any of you provided that data to them? When is the first time that DFO comes back and says, “Using that data, here is what we think the harvestable biomass is”? Does that happen in the fall, or do you not find that out until March or April?

[*Translation*]

Mr. Joel Gionet: Are you talking about the fishing season just completed or the previous one?

Mr. Mike Allen: The 2009 season.

Mr. Joel Gionet: The fishery usually takes place. In a given year, we start the fishery. There are observers, people hired by an independent company. They come aboard our boats to assess the catch, that is to say the composition of the catches in the traps. These are independent individuals who do their jobs. They send the figures to Fisheries and Oceans Canada. The fishing continues.

At the end of the fishing season, roughly in mid-July, Fisheries and Oceans Canada starts its trawl survey. When the department starts the trawl survey, it already has the information from the spring fishery. It already has the assessments of the at-sea observers. So the department conducts the trawl survey. It usually finishes it in late September or mid-October.

Starting in late September, mum's the word: no one's allowed to know anything. The department tells us that the figures haven't been compiled and the work isn't complete. It continues that way into October, November, December and January—we're not allowed to know anything. In February, the department publishes a first preliminary document with figures. It's only preliminary. That continues until the meeting of the advisory committee, which usually meets in mid- or late March.

Then the department comes up with the final document. Between the submission of the preparatory document and the advisory committee meeting, there is a peer review. The document is reviewed by all scientists around the world to see whether there have been any errors. Lastly, the document is submitted to the advisory committee.

To my knowledge, that's how it happens in the course of the year.

[*English*]

Mr. Mike Allen: Okay.

Some of you were here this morning when Mr. Moriyasu gave his numbers. On the high years, he said that in 1995 the fishable biomass was 148,000 tonnes. The next high year was 2005 and it was 85,000 tonnes. Now the fishable biomass for 2010 is 26,000 tonnes. There seems to be a trend.

What did you think about his presentation and those numbers? It seems that we've gone from 148,000 tonnes in 1995 to the last high year of 85,000 tonnes. That's a drop of more than 60,000 tonnes between two high years.

[*Translation*]

Mr. Joel Gionet: First, 150,000 tonnes or 148,000 tonnes in 1995, these were not realistic measures for us fishermen.

There is one thing that Mr. Moriyasu didn't tell you. In 1995, the biomass assessment wasn't 150,000 tonnes. In I don't know in what year, 2003 or 2004, the scientists had to review their entire system. They told us that all the biomass measures assessed in the past were incorrect, that they had to redo the calculations. It was then that they presented a new biomass calculation for subsequent years. So the figures Mr. Moriyasu gave you this morning are the result of the new biomass calculations in 1995.

In 1995, the official figure was 90,000 tonnes. However, based on their new calculations, we reached 154,000 tonnes. That's quite a big difference. It's very clear that the stock follows a cycle, year after year. There is a downward trend, then it moves up, then there's a downward trend, and then it moves up. It's been that way for the past 30 years.

● (1135)

Mr. Mike Allen: Thank you very much.

[*English*]

The Chair: On behalf of the Standing Committee on Fisheries and Oceans, thank you very much for meeting with us, sharing your comments and thoughts, and answering our questions. We really do appreciate you taking the time out of your very busy schedules.

Thank you very much.

We will take a short break while we set up for our next guests.

● (1135)

(Pause)

● (1145)

The Chair: I call this meeting to order.

Gentlemen, thank you very much for taking the time out of your schedules to come and meet with us today. We're a little behind schedule. We apologize. You can appreciate sometimes when you get into a subject, it's hard to let it go and keep on the time schedule we've permitted.

The schedule allows for four minutes for presentations or opening comments. I believe you've all been advised of that before today. I would ask at this point in time if you want to make any opening comments.

We'll start with Mr. MacLean, if you would like to proceed at this point in time with your opening comments.

Mr. Basil MacLean (President, Area 19 Snow Crab Fishermen's Association): Good morning, everybody.

My name is Basil MacLean. I'm the president of the Area 19 Snow Crab Fishermen's Association. I would like to take this time to thank you for giving me the opportunity to address the committee today.

We are located on the west coast of Cape Breton Island. It is a very small fishing zone, approximately 20 miles by 60 miles. Our zone borders the area 12 crab fishing zone. We are an inshore zone. Our vessels are under 45 feet. We operate under a very unique ITQ-style fishery, the only one of its kind in Canada. Our association is made up of strictly owner-operators. I, myself, have been an owner-operator in the fishery since 1992. Our association is the only association that represents area 19. No other associations represent our fishery other than us.

I'd like to talk a little bit about the southern gulf snow crab stock and the history. I know you're all aware of it by now, but according to page 9 of the March 2010 snow crab assessment for the southern gulf, the peak of the stock occurred in 1994 with a total of 154,000 metric tonnes of biomass. I know there are questions of how that number came to be, but that is the number that's in the document.

The fall of 2009 assessment shows a biomass of only 26,000 metric tonnes, which represents a decrease of 83%. That's unbelievable—83%. If you break down that decrease according to the fishing zones, area 19 represented only a 3.5% decrease.

I wonder today how this could have happened. How could the politicians, DFO management, and the fishermen ever have allowed such a huge decrease to happen to our stock? Well, in 1994 there was a huge push from politics to increase the number of participants in the crab fishery. At that time, the area 19 fishers were deeply concerned and wanted to have some control of our fishery. This is where the idea of co-management began in our fishery. Our fishermen spent countless hours and hundreds of thousands of dollars working with DFO, the community, and the politicians to draft a co-management agreement. In 1996, the first real co-management agreement in Canada was signed between DFO and area 19. We are still operating under a co-management agreement today, which is set to be renewed in 2013. The key objective of our co-management agreement was to base our fishery on three simple principles: one, use the best possible science; two, use the best possible fishing practices; and three, maximize the most socio-economic benefits for our communities.

Under this co-management framework we should have been able to avoid political pressure, but unfortunately we were not immune. Political pressure has negatively affected the entire southern gulf snow crab stock in two major ways.

The first one is the number of participants in the fishery. The increase of individuals to the crab fishery has also led to the number of traps now being used. From 1994 to present day, the number of traps in area 12 has increased from 18,000 to over 38,000, which represents a 106% increase. At the same time, we also increased our individuals in area 19, but we tried to minimize the number of traps being increased and we increased only 15%. We believe that a major problem with increasing the number of traps to the fishery is that you have increased the fishing mortality on the non-commercial stock, being the undersized, the females, and the soft shell. This creates a huge stress on the future stock.

The second way politics has affected it is with decisions made regarding the total allowable catch, or the TAC. These have been made without scientific evidence and against DFO management recommendations. A good example of this occurred in 2009. DFO science made a recommendation on page 22 of the CSAS working paper in February. They stated that a 17,000-metric-tonne TAC in area 12 would coincide with the reduced biomass in that zone. Politics determined a TAC of 20,900 tonnes. That is 24% above the scientific recommendation.

The big question is, who is to blame for the current state of the southern gulf snow crab stock? How did we get where we are today? Surely area 19 cannot be blamed for this. We have been managing our fishery on our own precautionary approach for many years.

● (1150)

What is our precautionary approach? We conducted our fishery over the last number of years on a trawl survey that is done just three weeks prior to the fishery. This short timeframe lowers the percentage of natural mortality from 25% to almost zero. It also lowers the chance of outward migration of our zone. As the biomass in area 19 has dropped, we have also dropped our TAC to coincide with the decrease in biomass. We have taken cuts; we have gone down every year.

Area 19 has provided funds to DFO for vessel and air patrols along our boundaries. We've done this to ensure that no outside poaching was done in our zone. We have provided funds for multiple trawls in the same year to make sure our stock was there. We wanted to know what was there. We did the extra trawls to make sure it was there.

We have provided funds for different scientific experiments. Just recently we did a multi-year larvae experiment with DFO science in Moncton, and we just finished doing a trap design study, which will help to leave the small crab, soft shells, and undersized on the bottom.

In area 19 we only start fishing after June 1. The reason is because of the two mating seasons in snow crab. The last season ends sometime in mid-May, according to science, so we wait until June 1. That way every adult male has a chance to mate. Right now, area 19 has currently started with pre-assessment for MSC certification, as we see this as the inevitable future for snow crab marketability. Our fishing practices and management schemes must be working for us, as our 2009 fall trawl has showed an almost 10% increase—a 10% increase—from fall 2008.

Under the new precautionary approach that has been introduced by DFO science for the southern gulf, area 19 has been lumped into the same category as other zones. We feel this is unfair and an injustice to our fishermen. I'm here today, before you, asking that area 19 be recognized for its uniqueness. Given the opportunity, area 19 can prove that we are good stewards to the fishery. A spring survey, a strict white-shell protocol, 100% downside monitoring, and the continuation of our co-management agreement will ensure the future of the stock and the future of the fishermen in area 19 for many generations to come.

I thank you for your time.

● (1155)

The Chair: Thank you very much, Mr. MacLean.

Monsieur Landry.

[*Translation*]

Mr. Daniel Landry (Fisheries Advisor, Association des pêcheurs professionnels membres d'équipages): Good morning. My name is Daniel Landry and I'm a fisheries advisor with the Association des pêcheurs professionnels membres d'équipages. My members are currently on the job. So I'm going to represent them.

The Association des pêcheurs professionnels membres d'équipages is an association of midshore shrimp fishermen, small pelagic purse seiners, ground fishermen and, mostly, crab fishermen. Most of our members have extensive fishing experience, that is to say 20 or 30 years, and excellent training acquired at the New Brunswick School of Fisheries. Over the years, our members' incomes have melted like snow in the sun, from $35,000 to $12,000 a year, as a result of new costs and cuts by DFO to the captains' historic fishing levels. Every time DFO cuts our share of the fishery, our income follows that curve. In other words, all the department's fisheries management decisions have a direct impact on the crew.

It's been said that the fish resource belongs to all Canadians, and we agree. However, we would like someone to remind the department that we on the decks of the boats are also Canadians, that we also have a right to a decent wage to support our families and one day to hope to send our children to university. Unfortunately, the revenues we were sharing are no longer there as a result of fisheries management that has been politicized to death by Fisheries and Oceans Canada. I say “to death” because that management is killing our traditional industry and the entire community of interests that depends on it, that is to say crew members, plant workers, processors and all related employees. DFO's dogged attitude toward the traditional crab fishing fleet in area 12 suggests the worst economic scenarios. It's scaring away the skilled labourer on the boats and ruining all our efforts to develop the next generation, both on board the boats and on the decks of the ships.

In the past 40 years, we have worked with our federation to implement social benefits for our members. We've gotten to the point where we can no longer use them. Our members are finding it difficult to pay their $300 premium. They're looking for small insurance policies to replace their group insurance plan. They can't foresee the day when they'll be able to take part in the group RRSP program that we've created.

We are not opposed to the idea of sharing the resource with distressed fleets, but only when our own viability is not jeopardized. Our fleet is currently in distress, but we have to continue sharing the quota with organizations that are leasing quota at 35¢ a pound to their fishermen, who don't really have the knowledge or equipment necessary to fish across area 12 as a whole and, what is more, are not accountable for the resource because they probably won't be in that fishing area next year and don't have a permanent licence.

Is it normal to wind up in these conditions, with 130 traditional fishermen and 300 casuals? Well, that's the scenario in 2009, with the results we've seen and that we know in 2010. While Transport Canada is renewing the Marine Act and increasing the qualification criteria for seafarers, it will become impossible to do the 12 months at sea in 5 years necessary to be eligible for Transport Canada's fishing master, fourth class examinations. In addition, if our crab captains are still allowed to fish only crab and that fishery continues to be shared without regard to its profitability, it will become impossible to recruit new fishermen interested in getting training and trying to meet Transport Canada's requirements.

We hope that a serious investigation is conducted into the snow crab management in area 12, that a management method that is honest and fair toward our fleet is implemented, that peace returns to our communities in management meetings with DFO and, especially, that our relationship of trust is restored with Fisheries and Oceans' science sector.

It is not normal for Canadian fishermen to have to go to court to make themselves heard. This is becoming too frequent, much too frequent, with Fisheries and Oceans Canada.

Thank you for listening to me.

● (1200)

The Chair: Thank you, Mr. Landry.

Mr. Brun.

Mr. Christian Brun (Director General, Maritime Fishermen's Union): Good afternoon, Mr. Chairman, committee members and members of the public. Thank you for inviting us. I'm going to speak to you today on behalf of André Martin, our president. He obviously can't be here as he is fishing for lobster.

I'm going to provide you with some brief background on the Maritime Fishermen's Union to enable those who don't know us to get to know us better. The organization represents 1,500 inshore fishermen in New Brunswick and Nova Scotia. They own and operate their own fishing businesses. They employ more than 3,000 fishermen's helpers. The MFU advocates multi-species fishing and our objective is to combine the licences for lobster, herring, groundfish, scallop and other species. The organization is legitimately established under provincial legislation and is subject to an official recognition process every four years—it is important to mention that—in order to be accredited in New Brunswick.

Over time, the organization has tried to establish a balance between the current interests of its member fishermen and those of future generations. It is very important to emphasize that. We work with our members today, but also for future generations of fishermen. With regard to snow crab, the MFU's history mainly starts in 1991, following the cod moratorium. The MFU had made a request to share the very lucrative snow crab fishery based on the following three essential arguments: first, there is snow crab near the coastal regions where the inshore fishermen work; second, the inshore fishery has a multi-species fishing strategy designed to diversify resource management risk, in view of the fact that there is more than one licence and fishery and that, when times are tougher for one fishery, you can rely on another; lastly, the inshore fishermen wanted a fair distribution of profits from sea resources for the largest possible number of participants in the fishing industry and the largest possible number of rural communities in New Brunswick and elsewhere.

In response to those requests, the federal fisheries minister Mr. Tobin, who was in the position in 1995, authorized the inshore fishermen to fish for snow crab. In his documents, he said he wanted to ensure a fair sharing of that common public resource. Subsequently, in 2003, Mr. Robert Thibault, the federal fisheries minister at that time, in turn proposed to maintain the sharing of snow crab, but talked instead about new access. He said he wanted to enable fishermen to plan these fisheries for the longer term.

Mr. Hearn also opted for this continuity. He even said he wanted to make the sharing agreements permanent and stable by 2010. This year, the current federal minister, Gail Shea, will be moving toward stability and ensuring it until 2014. In fact, by 2014, the inshore fishermen of the MFU and others will already have been involved in the snow crab fishery for 20 years.

With regard to the recent decline in the snow crab biomass, which seems to be the most pressing issue today, in view of the cyclical behaviour of snow crab, scientists began to present evidence of biomass decline already in 2006, for the Gulf of St. Lawrence. In 2007, scientists were also recommending lowering the overall quota. In the wake of those recommendations, MFU recommended a cut to the overall snow crab quota. In 2008, MFU recommended a 20% reduction in the quota allocated to the fishery.

● (1205)

In 2009, the industry in general disregarded the advice of the scientists, and the traditional fishermen even intensified the political lobbying in Ottawa to preserve the status quo. In 2010, the minister had the courage to accept the opinion of the department's scientists and cut the quota by 63%. In our view, the rate of landings in the Bay of Chaleur during the 2010 season seems to show that the minister was right.

I'm also going to speak briefly about myths and realities. For a few months now, it has been suggested that the decline in the snow crab biomass was caused by too many fishermen or traps at sea. In MFU's view, that seems quite illogical, for the following reasons. The total crab fishing fleet consists of approximately 400 boats. If we assume that every boat has an average of 100 traps, that means a total of 40,000 traps at sea. By comparison, the lobster fleet in the southern gulf, with its nearly 4,000 boats, which have an average of 275 traps each, has a total of 1.1 million traps at sea. If we compare the two, the lobster fleet currently has 10 times as many fishermen and 27.5 times as many traps as the snow crab fleet. The lobster fleet has been managing to gradually increase its biomass in the past few years. However, the biomass is still inadequate and the economy is inadequate for the fishermen, who depend on a number of species.

I'm coming to my conclusion. It's quite clear that the number of fishermen does not seem to be the cause of the problem in the case of snow crab. What then is the problem? We asked ourselves that question. And we've come to a conclusion. This morning, I listened to Joel Gionet's remarks. We agree with him: the cyclical nature of the stock seems to be a much more logical explanation and to be the main reason for the decline in snow crab biomass. It is therefore important that DFO managers continue to be very attentive to the advice of the department's scientists, as has been the case this year. In MFU's opinion, in the past few years, there has also been an issue of monitoring and protection that has had a very negative impact on that fishery. We would like to emphasize this point.

In our view, MFO's protection and conservation section, which has to patrol an enormous fishing area in the gulf—an area that is very hard to cover—for lack of human and material resources, too often focuses on monitoring activities close to shore or in coastal areas and too often neglects the frequent practice of selecting crab based on quality. In our view, this practice seriously undermines the crab biomass, since selected crab causes large volumes of rejects. There is also a high mortality rate. Special attention should therefore be focused on this practice.

Since time is passing quickly, I won't do a review. I believe our points have been addressed. Thank you for your attention.

The Chair: Thank you, Mr. Brun.

Mr. LeBlanc, go ahead, please.

● (1210)

Hon. Dominic LeBlanc: Thank you, Mr. Chairman.

Thank you for your presentations, gentlemen. I'd like to ask Mr. Brun or Mr. Comeau a question.

I'd like to go back to what you talked about at the end of your presentation. The word “selected” is a technical term. I'd like you to explain that point a little more. For example, some people who work in the processing industry say that the crab delivered to the plants by the inshore fishermen is of lesser quality than the crab provided by the midshore fishermen. I'd like you to explain that point a little more. I'd like to understand what you said at the end of your presentation because time was short.

I'm going to ask another question. I'm also asking you not to take my 10 minutes to answer.

Mr. Christian Brun: We've often heard that the crab supplied by inshore fishermen was of lesser quality. We've often wondered why. Plant managers claimed that the quality was lower. We wanted to check to see why. In doing that, we realized that practice of some fishermen was to select the highest quality crab and to reject the crabs that were missing a leg, for example.

Hon. Dominic LeBlanc: Mr. Brun, what does the word “reject” mean? The crab is dead? Does “reject” mean that it's put back into the sea? Explain to me what the word “reject” means?

Mr. Christian Brun: It means they're put back into the sea. Very often a large percentage of what is put back into the sea won't survive.

Hon. Dominic LeBlanc: Thank you very much.

I have another question, Mr. Brun. This morning, we talked a lot —and rightly so—about economic issues and the viability threshold. We want a fishing business to be profitable. And I think everyone wants fishermen, the businesses, their crews and the processing plants to be able to make money. Profits aren't a negative thing when you're doing business, on the contrary.

However, we're talking about the viability threshold for a fishing business. Earlier today, we heard about the problems finding that viability threshold in view of recent cuts for traditional crab fishermen. You represent 1,500 inshore fishermen. I'm somewhat familiar with area 25, which is a lobster area, because that's the region I represent in Parliament.

Tell me a little about the viability threshold for your members. I'm talking about the current economic situation of lobster fishermen. We call them lobster fishermen because I get the impression—you'll correct me if I'm wrong—that the vast majority of their incomes come from lobster fishing. With regard to economic viability, I think it would be useful to have a picture of the problems your members are also experiencing.

Mr. Christian Brun: Studies were conducted by the Department of Fisheries and Oceans over the period from 2004 to 2007. They showed the net incomes of inshore lobster fishermen. And you're right, Mr. LeBlanc, the lobster fishery represents the largest share of fishermen's incomes. There's also the secondary fishery, such as herring and certain other fisheries. On average, net after-tax incomes on the east coast of New Brunswick for those years were $12,000 to $15,000 a year.

That's really not an enormous amount if you have to support a family and all the rest. The goal of our organization is clearly to improve the standard of living and ensure greater viability. The prices are $2.75 for the smallest lobster and $3 for the market this year. That clearly won't improve the situation; the situation will remain very bad.

Hon. Dominic LeBlanc: Thank you for your answer.

Let's go back to the sharing issue. We've turned around this issue a lot today. If your members are generally in the economic situation you just described, why is reasonable access to snow crab so important to ensure the viability of your fishing businesses?

● (1215)

Mr. Christian Brun: As we mentioned at the start, the goal of inshore fishermen is to be able to fish a number of species. The 1,200 fishermen in New Brunswick want more opportunities for a reasonable standard of living. Over the years, the snow crab fishery has clearly proven to be crucial to achieving those objectives. The idea is to take the first steps toward reducing the number of fishermen in the lobster fleet. There are enormous numbers of fishermen in very small areas. This makes it possible to do this gradually pending assistance from the government. We've clearly been able to do it to date, as a result of snow crab and other things. This makes it possible to develop our fishery, to ensure greater viability and thus better conservation of our fisheries.

Hon. Dominic LeBlanc: I'm going to continue on another topic. A little earlier, there were other guests, just before you. I'm entirely of the view that a major solution to the economic viability problems our members are facing will come from a funded government program. There's no point in squeezing out the last drop of juice from the lemon in the case of snow crab or other species. We will have to accept responsibility, as we did in the case of the Marshall decision.

Obviously, when the Supreme Court gives the government an order, it's easier to go before cabinet looking for money. The answer isn't yes or no; it's how much money will it take to comply with the Supreme Court decision? The dynamic changes in the case of that kind of decision.

We currently don't have that luxury. In fact, there's currently a need to go and buy licences. We're not talking about lobster licences because, if we buy lobster licences, we'll have to buy all the licences the fishing business owns and cancel them, tear them up, as one of the participants said earlier. Then we would be giving your members, that is to say the youngest fishermen, a real chance to improve their economic situation and to invest in equipment. That's a whole other issue. I entirely agree with the people who said it's virtually impossible for a fishing business to borrow money. If we have Farm Credit Canada to assist farmers, why wouldn't we have a similar arrangement to help fishing businesses, a way to seriously finance those purchases?

How would you view a licence buy-back plan in the context of ensuring the long-term conservation for future generations that you referred to? We have to reduce the pressure on resources, whether it be snow crab or lobster.

Mr. Christian Brun: There have been a number of licence withdrawal programs in the past. Normally, licences are withdrawn and the resource returns. So we have to be very careful. As a number of studies show, you have to make sure you have conservation measures in exchange for improving what you leave in the water. If we withdraw licences and have conservation measures, we have a better chance of achieving a long-term effect. As regards the fishermen's economy, you reduce the number of fishermen. This improves the economic pie for those remaining. We've made some concessions on species conservation. That's our perspective, and that's what we encourage. Some tools were recently put on the table, but we're far from achieving the desired objectives. In fact, what was recently put on the table for our fishermen was merely a percentage of what is necessary in order to achieve a reasonable viability threshold for inshore fishermen.

Hon. Dominic LeBlanc: This is an interesting question. What kind of change or option could you propose? I agree with you that this should be combined with a licence withdrawal plan. What kinds of measures are on your wish list?

● (1220)

Mr. Christian Brun: That will definitely depend on circumstances and the type of program proposed. With regard to lobster, for example, conservation measures have proven to be very effective. There is the minimum size question, for example. There are all the conservation measures that would leave more lobster in the water and would be combined with economic improvement. Lowering the number of fishermen would make it so fishermen would not suffer economic losses and a larger volume of the species would be left in the water. So this is a trade-off, in other words, to improve the future of the fishery and the economy of the fishermen engaged in this fishery over the long term.

The Chair: Thank you.

Mr. Blais, go ahead, please.

Mr. Raynald Blais: Thank you, Mr. Chairman.

Good afternoon, gentlemen.

Mr. Landry, earlier you talked about overpoliticization at Fisheries and Oceans Canada. You referred briefly to what has occurred in past years. I would like you to explain to us how we could somewhat move away from the politics of all this. There's a bit of a little of the politician in all of us. Some are more full-time politicians, others are better paid, and still others aren't paid at all, but we all engage in politics in various ways. We all engage in a little politics.

When I say politics, I mean that in the sense of wanting to play both ends against the middle; we want to make decisions that will in a way please everyone; we want to try to please the entire community, and, ultimately, we in a way displease everyone in the short, medium or long term. How could we steer away from politics in all this?

Mr. Daniel Landry: First of all, there's the minister's discretionary authority. In our view, it's now being used in all kinds of ways. At first, the focus was resource preservation. We see how the current situation is, but we knew that the biomass would be very low this year. As a result of the decisions made, there was more pressure, more fishing for this resource. So one may well wonder what the logic is in this kind of management.

At one time, around 1996, there was co-management in our fishery. That worked well for a while. Then we realized there was no umpire. The party that had the power was therefore free to comply or not to comply with the agreement, which resulted in a lot of frustration. It also resulted in a loss of trust in the science, even though all efforts were made to be honest with the fishermen.

I think the fishermen themselves have to be more involved. There should be neutral committees to hear the complaints of fishermen, scientists and managers. There should also be management umpires along the way to determine whether the interests of all parties are being met.

Mr. Raynald Blais: Is that one way to solve the problem? Does the FRCC nevertheless have its limits?

Mr. Daniel Landry: Management is done on an annual basis. The FRCC is sporadic but is interested in crab, its management and the crab fishery in certain years. In other years, we see less interest on its part. It will focus more on other fisheries.

I think there should be another mechanism.

● (1225)

Mr. Raynald Blais: I'd like to know one thing, out of mere curiosity. You're a fisherman in area 12; you're a traditional crab fisherman.

Mr. Daniel Landry: Yes, I represent traditional fishermen.

Mr. Raynald Blais: I suppose this isn't the organization that the other person who testified a little earlier, Mr. Robert Haché, talked about.

Mr. Daniel Landry: They represent owner-captains and I represent crew members. They're the employees of those captains.

Mr. Raynald Blais: So you take all the decisions head on. We're talking about job losses.

Mr. Daniel Landry: Yes, when the crab fishery goes, everything goes. It's the economic driver in our region, the Acadian Peninsula. When the biomass is good, the people are good and the price is good, things go better for the crew members; that's for sure. Wages are better.

At one point, there was sharing. That changed the method of payment. Traditionally, 40% of the fishery went to crew members. When you get below a threshold, there are a lot of expenses on the ships and a lot of contingencies. Methods of payment changed, but generally, when the fishing goes well, the deckhands are better paid and take home better pay.

Mr. Raynald Blais: Would Mr. Brun or Mr. Comeau have any comments to make on my opening question on politicization?

Mr. Réginald Comeau (Gulf Coordinator, Maritime Fishermen's Union): I'm someone who thinks politics is often necessary in order to reach decisions different from those we've seen in the cases of BP in the Gulf of Mexico or General Motors. For us, the fishery in the Gulf of St. Lawrence is as important as the automotive industry for Ontario. We sometimes need political intervention to help us. It's not certain that we can do it ourselves, as a result of our appetite.

Let's look at what's happened in the gulf. Mr. Blais, you're originally from the Magdalen Islands. The redfish or ocean perch disappeared 30 years ago, but I'm not sure the politicians made the resource disappear. As for groundfish in the gulf and the Atlantic, I would say, as John Crosbie did, that the politicians didn't do the fishing. In the Magdalen Islands, they had problems and the herring disappeared. I'm not sure the inshore fishermen or the politicians made the herring disappear.

I think we're often the victims of our desire to force politicians to manage things. The three examples I'm going to cite are examples of specialization.

People think they can exploit a resource to the maximum and live from it. That's not necessarily true. That's why the MFU has always suggested an approach advocating the fishing of a number of species and has pressured politicians to that end. That's the only way to continue living on the coast in a reasonable manner and to enable us to occupy our territory. If you take the fisheries away from the Magdalen Islands, I'm not sure people will occupy the land long. If you take the fisheries away from the Acadian Peninsula. I'm not sure they'll be there long.

All that has to be taken into consideration. I believe that's how we have to involve our politicians. We have to show them the fairness and the necessity of having natural resources that are well shared and managed. The Department of Fisheries and Oceans may have a management problem. I don't believe we have a politician problem, but rather a management problem. We need management that takes into consideration the reality of the place, the species and the ecological situation of the place. That has to be taken into consideration.

Even if the Fisheries Act is amended, I'm not sure that will change our attitudes overnight. That's why I think our problem is more than a politician problem. It's a problem of attitude, management and culture. We think we have to fish for lobster at $2.75 or $3 a pound. The situation can't work for long that way. Two years ago, crab fishing earned less than picking blueberries. I think that's our big problem. To date, we haven't been able to sell our product. We're not sellers; we're fishermen. That's somewhat the fault of the industry in general. Luxury products such as crab, shrimp and lobster shouldn't be given away. We're currently giving them away. We have a problem in that regard. We're putting a lot of pressure on the resource and on everyone.

● (1230)

The Chair: Thank you, Mr. Comeau.

[*English*]

Mr. Donnelly.

Mr. Fin Donnelly: Thank you, Mr. Chair.

I have a couple of questions.

Monsieur Brun, if I have this right—and maybe you can correct me if I'm wrong—you felt there were not too many entrants or fishers currently. We've heard over the days that this may be a big problem, having simply too many boats trying to catch too many crabs. Maybe you can comment a bit more—if I got that right, and that's what you said—on how you feel that to be the case.

Mr. Christian Brun: Our comment referred to a comparison with other fisheries that have the same type of territory and have 10 times more harvesters and 27 times more traps in the water, and they are actually managing to foster a sustainable fishery. Of course, natural cycles in those other fisheries also have made for some difficulties in past years, but with some concessions and some progressive movement toward better conservation measures, 27 times more traps in the water in about the same territory demonstrates that that fishery is going relatively well in terms of increasing.... The problem in that fishery—I'm referring to the lobster fishery, of course—is that the economics of the fishery are really impossible for the numbers that are there.

Our argument is that in fact this problem we're witnessing in terms of the drop of biomass is actually caused by the natural cycle of snow crab. In 1995, 15 years ago, there was an increase in the number of harvesters in this new access. As a matter of fact, this cycle has gone up and down ever since.

Mr. Fin Donnelly: Thank you.

Mr. MacLean, what do you think the department has to do in terms of the decisions that are being made that perhaps could be based on the area 12 situation so that it doesn't affect area 19? How can that be distinguished when it's essentially looking at the area as one, perhaps because it's in one unit?

Mr. Basil MacLean: I know the trend has been to look at it as one biological stock. I'm not a scientist, so I certainly can't argue against what science says, but there is also scientific evidence that possibly it is not one stock. There is definitely a migration of crab that comes into area 19 from the Scotia Fundy side. That's been proven in the spring trawls that have been conducted for the last couple of springs. Also there are differences in the carapace condition. The overall carapace average size is 19 versus 12. There are differences in the size of the females, the quantity of females per ratio of males in area 19. So there definitely are differences in the stock between area 19 and area 12.

As far as believing it to be one biological stock, it's the same as the human population, I guess. We're one biological stock as well. Where you live may determine how long you're going to live. If you live in Moncton versus the Gaza Strip, maybe you'll have a better chance here. So being in area 19 or area 12, we feel there is certainly a difference for the future of the stock, basically because of our practices and how we fish.

I think DFO management must take into consideration the difference in practices, the differences in the geology of area 19, the different water depths. Area 19 has considerably deeper water than a lot of areas. Only three miles off the coast you can drop down to 600 feet of water, which is pretty unique in the southern gulf. There are definitely things that DFO management must do to try to split area 19 and area 12, and not lump us all under the same category.

● (1235)

Mr. Fin Donnelly: Thank you.

The Chair: Thank you.

Ms. O'Neill-Gordon.

Mrs. Tilly O'Neill-Gordon: Thank you, Chair.

Welcome to our guests here today.

As you know, I'm the MP from Miramichi, New Brunswick, so there are many fishing communities in my area. Shippagan and Caraquet certainly neighbour my constituency, and I have lots of concerns from people down there as well.

Mr. MacLean, you mentioned in your introduction that area 19 should be recognized for its uniqueness. I am wondering if you can explain that. Does that have to do with the difference in the stock that you spoke about, or are there other ways in which that area has much more uniqueness to offer?

Mr. Basil MacLean: Yes. It's mainly to do with what I said about the stock, and also with the difference that we are a small boat, inshore zone. We only fish day trips. We're not an offshore zone.

Our willingness to go along, I guess I would say, with DFO on introducing changes to the fishery.... We were leaders in changing the design of our traps. We were the first to adopt a conical-style trap instead of a square trap, which science says reduces the amount of soft shell or white shell being caught, which protects your stock. We did that.

As I said in the introduction, we had the first true co-management agreement in Canada, to the extent that we were integrated with paying for enforcement, air flights, and paying for science and that kind of stuff. We're unique in that aspect.

We're unique, as I said before, in the geology of our ocean floor compared to other areas. We're small. We are really the last inshore zone in the southern gulf—that I know of—that hasn't been assimilated into area 12, from the P.E.I. zones to the former area 18. They're all now part of the one big zone. We feel we are very unique, and we'd like to keep our status where we are.

We deal with local management in Antigonish. We're really managed out of Antigonish, but as the southern gulf has been considered one biological stock now, we're playing with new players again. Now we're in New Brunswick and we're dealing out of the Moncton office.

We conducted a spring survey just three weeks prior to our fishery, and for us that's a huge scientific tool to determine what's in that small zone—20 by 60 miles is very small; it's very easy for snow crab to migrate out of there. When a survey is conducted in September, it leaves until the next July for that stock to naturally die or to migrate out. We actually had that problem, and we had that problem in 2004 when we went fishing on a fall survey and the crab weren't there. There was a huge reduction in the number. That's why we sat down with management, with DFO science, and said that we had to do something to ensure the stock was there—whether it's good or bad. And that's what we did. It's been working for us, and we hope we can continue with that.

We're still operating under the co-management agreement, which is good until 2013. That's even though, due to court cases and the loss of revenue options, which have hindered us, we're still plugging away at it, and we hope to continue doing that.

● (1240)

Mrs. Tilly O'Neill-Gordon: Have you ever offered some of these practices to other areas or suggested that they should make use of your good ideas as well and put them to use?

Mr. Basil MacLean: We've suggested our practices to other areas. I think fisheries management has offered out some of the things we've done to other areas.

We're not looking to change what other areas do. We're looking to maintain doing what we're doing. And we feel that what we're doing is as close to being right as possible, in our view.

Mrs. Tilly O'Neill-Gordon: How many fishermen are a part of the fishing area?

Mr. Basil MacLean: We're unique, because we're an ITQ, as I said before. We're the only one, but we have individual trap shares, and your quota is based on how many shares of the fishery you own. You can own from a maximum of 26 shares to a minimum of three shares. A share is based on the quota, which is determined by the TAC and the exploitation rate. Last year a share was 3,100 pounds; you could own a maximum of 26 of that block or a minimum of three. We have many fishers with only three shares, which gave some of the individuals 9,300 pounds last year, which is a pretty small amount. If you consider 9,300 pounds at $1.80 a pound, they didn't make a whole lot of money.

We have a total of 1,699 traps in our zone, and these are shared in different allotments—as I said, between three and 26. We were at 183, with our number, and that can be reduced. We have an integrated plan whereby one fisherman can actually buy out another one and the licence is gone. It is a self-rationalization of our fleet. We did this when we adopted “no sharing”. We have no temporary sharing in our zone; we have no new access in our zone. We took all the temporaries. All the temporary sharing was based years ago on a dollar formula and was very complicated. The fishermen decided to accept all the temporaries into the zone and put everybody on an equal licence. We did away with the uncertainty. Now we all fish at different levels, but there is no temporary access. It has gone, through permanent access.

Mrs. Tilly O'Neill-Gordon: As we travelled around different areas in the last week, we also heard about the economic downturn in the United States and how it was hurting the industry as well. Does anyone want to comment on that?

Mr. Christian Brun: I apologize. Could you repeat that, Tilly?

Mrs. Tilly O'Neill-Gordon: As we travelled around the areas this week we heard how the economic downturn in the United States was placing a major stress on the industry. I am wondering whether you want to comment on that, and say in what way, and things such as that.

Mr. Christian Brun: It's quite obvious that a lot of the sales of the products we fish in New Brunswick and in Atlantic Canada depend quite heavily on the United States. The last few years have made it difficult for people in the States to go out with their families and have either snow crab for supper or lobster in a restaurant they'd normally go to, or to buy some for home. I think it's just normal to see that this has been very difficult for exports from here. We rely heavily, 80% to 90%, on the United States for markets for our products, especially for the large volumes we are harvesting.

What we've been promoting lately has been some increased attention to marketing, to work around the world to see where we could either find some new markets or develop the markets existing currently. I think we've been doing a good job of this in the last few years, but we need some added attention to make sure it's continuing.

● (1245)

Mr. Basil MacLean: Since you mentioned markets and what's going on, one thing I'd like to say is, as I mentioned in my opening, that area 19 is in the process of pre-assessment for Marine Stewardship Council certification. Some other groups or areas, I know, are against this, and I'm not saying it's a great thing for the industry, but I think it's inevitable. It's going to come. There are announcements from Wal-Mart and Loblaws and Superstore and Sobeys, the Empire Group, or whoever. This seems to be the coming trend.

In the province of Nova Scotia, we are very lucky that our province is behind us and actually helping us out with some funds to start with the pre-assessment. It's a complicated assessment, but I want to mention that some help along the way from the federal department certainly wouldn't hurt either.

Thank you.

The Chair: Thank you very much.

Gentlemen, on behalf of the Standing Committee on Fisheries and Oceans, I want to thank you for coming today and meeting with us to share your views and your answers to the questions of the members. We certainly appreciate your time. We know how busy you are.

Thank you once again.

Members, we will resume sharply at 1:15. Lunch is down the hall.

● (1245)

(Pause)

● (1315)

The Chair: I call this meeting back to order.

Minister, thank you very much for joining us today. No doubt you are aware that we're studying the snow crab industry in Atlantic Canada and Quebec. Today is the final leg of our trip. We began in the Gaspé region. We travelled to Newfoundland. We were in Sydney, Cape Breton, yesterday, and today we're in Moncton, New Brunswick. We really do appreciate you taking the time out of your busy schedule to appear before us this afternoon to make some comments and answer some questions that the members might have.

I'll let you proceed, Minister, with your opening comments, and then we'll follow with questions.

Hon. Rick Doucet (Minister of Fisheries, Government of New Brunswick): Thank you, Rodney.

I'd like to thank you for inviting me here to these oral hearings. It's certainly a pleasure to be here presenting the Government of New Brunswick's perspective on the snow crab fishery. It's kind of interesting and somewhat ironic. You mentioned the world tour that you folks are doing across the provinces here with respect to the snow crab fishery. It's interesting today that we're in this room, and right next door to us is the roller coaster. That's typical of the fisheries.

This afternoon I will summarize our position. As you know, we are also submitting a written brief, which outlines in more detail our viewpoints. There are several issues with the snow crab fishery, and there has been much debate about the management or mismanagement that has brought us to this point—which explains my reference a moment ago to the roller coaster.

This afternoon I do not wish to continue this debate by rehashing what has happened in the past, but rather I wish to speak about what is happening today. I'm here to speak about what we feel needs to happen to stabilize this industry for a sustainable future. From our perspective, there are two major issues related to snow crab. The first, a short-term issue, relates to the current situation caused by the sudden drop in quota. The second and longer-term issue is the lack of stable access and allocation, which I believe is the reason we are facing the current situation.

There have been many changes over the years, which have eroded the viability of the original fishery. These include new fishing zones carved out of the traditional gulf fishery; amalgamation of zones; interprovincial transfers of allocations; and allocations of the snow crab resource to other fisheries. In order to instill stability in the industry going forward, DFO decisions must consider the viability of the entire industry, including processing and marketing—very key components.

Stability in the industry starts with stability in access and allocations. We feel it is also necessary that DFO respect the historic fleet shares and provincial shares under which the fishery was restructured in the late 1980s. When resource abundance varies on a known cyclical basis, particularly as it does in the case of the snow crab, distribution of surplus in high abundance years should be based on the provincial share, with access by fisheries that need it most. Temporary sharing must be designed so as not to destabilize the industry as a whole, nor create a new dependence when the resource returns to its normal level.

We reiterate to DFO today that it should gradually decrease the quota during the downward trend of the stock cycle in order to minimize the impact on the whole industry while protecting the stock. This season, the impact of the drastic quota reduction of 63% could have been avoided, and the impact is significant for all stakeholders. We must share the responsibility in supporting those impacted. This sudden reduction of quota means losses of approximately $170 million to the economy of New Brunswick alone. Also, thousands of employees are negatively affected. The snow crab industry in New Brunswick supports the equivalent of 1,900 person-years. The importance of these workers must be paramount. We have to take into consideration the impact the reduction is having on these workers.

Let me be clear. We are against over-exploitation of the resource. We understand conservation. We get it. We support quota-setting based on scientific evidence. What we are experiencing today is the result of poor planning around a known cycle in the snow crab abundance, period. Too many fishing enterprises are chasing too small a quota for anyone to have any viability.

So where do we go from here? We propose the following. Amend the present federal Fisheries Act to circumscribe the discretionary power the federal Minister of Fisheries and Oceans currently has on access and allocation decisions. A new fisheries act must provide for criteria on which access and allocation decisions will be made, rather than having such annual decisions rest on the discretion of the minister. We need to develop guiding principles and fisheries objectives for a long-term sustainable harvest and a viable industry. We're also asking for financial assistance in a rationalization of the harvesting sector to ensure that the capacity is set at levels that are sustainable in the long term.

● (1320)

There's a harvesting overcapacity in the groundfish, shrimp, and lobster sectors of the southern gulf. In going forward, we feel there is a great need to identify thresholds that during years of abundance would trigger changes in the allocation of the resource to other players.

Decisions have been made in the past. I do not wish to harp on their merits this afternoon, but I will say that these decisions have had an enormous negative impact on New Brunswick. The impact has not been limited to licence holders. Our processors, our supporting industries, our communities, and our provinces have felt the impact. Today I am again asking the federal government to recognize this negative impact and partner with the province in finding concrete solutions for today and for tomorrow.

We must continue to collaborate and provide stability and prosperity to our coastal communities and our workforce. We need to move forward with better management of the fisheries and learn from our past mistakes. Again, I wish to emphasize my message to this committee. We need stability and access to allocations. It's time to modernize the federal legislation.

I sound like a broken record. I'd like to know how many CCFAM or ACFAM meetings I've stood at and said we support federal legislation to take care of this, the new federal Fisheries Act. I and my Atlantic counterparts strongly support this, and we'll support it again when it comes to the table.

It's time to take responsibility for the impact of your decisions. I'd like to emphasize my message to the committee. One, we need stability and access to allocation—it's time to modernize the federal legislation. Two, it is time to take responsibility for the impact of your decisions in DFO.

Thank you for the opportunity today, Mr. Weston. I appreciate any questions or feedback.

● (1325)

The Chair: Thank you, Minister.

Mr. Byrne.

Hon. Gerry Byrne: My thanks to you, Minister, and to Mr. McKay.

Could you describe for the committee the economic impact of the recent quota reductions on the crab stock in the southern Gulf of St. Lawrence?

Hon. Rick Doucet: It's significant. I mentioned $170 million. Whenever you throw a rock in the water, you think of the first splash, the multiple splashes, and the waves that come out from it. The first splash is the community, what's being impacted in the community, and there's your $170 million. Then you go to the next. What is it doing to the outer community? What is it doing to the spin-offs? What is it doing to the markets?

You talk about impact. Impact is the number of employees for the plants, the plants to stabilize the industry. How many people are we going to need to come in to work tomorrow or the next day? What are they going to need? What type of threshold are they going to need for employees?

Just think of the packaging aspects. This goes beyond the local economy—it goes to places like Moncton that handle the packaging. How much packaging are they going to need? How much packaging do they have sitting in their own warehouses?

There are orders to fill. We talk about destabilization of the marketplace. You lose space from your grocer, you lose an in-counter, you lose refrigeration space, you lose a space that's being taken up in the freezer counters. I'll use the example of snow crab in the Japanese market. They're going to fill that gap with something else. If there's not a supply they can count on, they're going to find another supplier.

The impact is long lasting. It's not just today; it's tomorrow and all the tomorrows afterwards. How are we going to fill that gap? The impact is significant, and I just can't help but go back to the underlying parts of this. Do we want to fix it with a band-aid or do we want to do it properly? It's long term. Let's go to the root of the problem. The root of the problem is stability and access to allocations. The markets will react to instability, and we need to make sure that this void is filled at all times.

Hon. Gerry Byrne: You have clear and unequivocal positions on the fiduciary responsibility of the federal minister. We all recognize that the provincial governments do not have any specified right to manage the resource itself. However, for quite some time, co-management has been a key tenet to proper fisheries management. Can you describe to the committee the role that the Province of New Brunswick, your department in particular, has had during the last several years in the management of this stock? Would you categorize it as being interactive, positive, or negative?

Hon. Rick Doucet: Does that answer your question?

Hon. Gerry Byrne: Okay. The minister is not replying.

Hon. Rick Doucet: No, I'll reply. I just wanted to leave a little void there.

Hon. Gerry Byrne: Absolutely. Understood.

Hon. Rick Doucet: Do you know something? There has been no activity, collaboration-wise, and I think over the years we've had the ministers' round table. We've been working with all the industry stakeholders, the harvesters, the processors, the market, government, and we've had DFO at the table to be a partner. And here we are, we're back to square one.

Hon. Gerry Byrne: You're describing for me that you had serious consequences from these decisions to the economy of your province, to the well-being of your fishing communities. Who's going to clean up the mess?

Hon. Rick Doucet: When those decisions are made, it's us. It's the province that is stuck with the decisions, the impact of the decisions, and frankly, that has got to end. We're responsible from the wharf in. We're responsible for monitoring the seafood processing, for making sure that our plants are working within the parameters of health, for making sure they're working within the parameters of CFIA. We also have to manage the process to the market, and we're extensively working on the marketing side. So whenever decisions are made that negatively impact the resource, we're basically the ones left holding the bag. Frankly, I'm sick of it. For the past four years...this just brings it out again, to the height of it.

Yes, we're responsible, basically, from the wharf in, but when there are decisions that are made that negatively impact...then we look to the federal government to be supportive.

● (1330)

Hon. Gerry Byrne: Describe for me the dialogue, the conversation, that has occurred with the federal government in terms of providing the specific short meeting and/or long-term assistance to the industry between yourselves, the Province of New Brunswick, and the Government of Canada.

We heard directly from the Assistant Deputy Minister, Mr. David Bevan, this morning that there is no contemplation of a federal assistance program whatsoever. In fact, what we heard is that there are fellows in this industry who make $800,000 in the good years. They're only making $200,000 this year, in the leaner years. So why would we assist where it rounds itself out?

Hon. Rick Doucet: I'm glad you pointed that out, because there is a lack of consultation with the total industry.

You just pointed to a fact. DFO made a comment about fishermen. Did he say anything about a promise? Did he say anything about the impact on the plant workers? Did he say anything about the impact on the deck hands? Did he say anything about the impact to the market? No, because DFO's responsibility lies with the ocean on. There's no connect. There's no consultation that takes place.

Basically what's happening is we're just creating silos. The silos have to work together. We have to have the harvesters, the processors, and the market all working together so we have a better integration, a better vertical integration from the sea to the plate. Without those pieces of the puzzle in place, we're stuck with the systemic issue of what you just brought up. All they can talk about is the fishermen. Well, guess what? There's a heck of a lot more people than just the fishermen who are involved in this industry.

Hon. Gerry Byrne: Can you describe some of those people? What would be the numbers in New Brunswick in terms of plant workers and those indirectly impacted by this?

Hon. Rick Doucet: You're looking at about 1,900 plant workers.

Hon. Gerry Byrne: How many plants?

Hon. Rick Doucet: The number of crab plants.... About three or four of the plants are operating, and what's happening is you've cut their season. So the rug has been completely pulled out from underneath the plant workers.

Look, we all get it. We all get it. We understand the biomass has gone down, but I just can't help but think, had we started three years ago making some adjustments in the harvest, in synchronization with that biomass, instead of holding on, today we could have had a situation where, yes, it would have been very difficult; it would have been tight, yet the industry could have been viable. There could have been some viability, some stronger viability than what's presently taking place.

Hon. Gerry Byrne: Allow me to ask a pointed question then.

We've seen evidence that the Department of Fisheries and Oceans science branch has indeed provided some warning signals. Has the department in New Brunswick, in the past, and in particular in the past two to three years, provided advice that the status quo should be maintained in terms of quotas, or have you advised the department, where you could, that caution or the precautionary principle should be applied? How would you reply to that?

Hon. Rick Doucet: We've always maintained cautionary advice, because we're interested in the long-term viability of the industry. For years, snow crab has been cyclical; it's cyclical in nature. When the biomass goes down, we've got to ease back pressure on the resource, and we understand that, but it shouldn't just be ripped out.

Frankly, the industry was bracing itself for about a 40% decline, and that's what we were expecting. From conversations that I'd had with the federal minister months before that point in time, I was expecting a degree of drop in the quota, but nowhere near what it was. And on the consultation side of it, I found out on the day, at the same time industry find out.

Is that working in synchronization with your provincial government? Is that working in synchronization with the industry? No, it's not.

● (1335)

Hon. Gerry Byrne: Let's get to that, the 63% versus what some in the industry anticipated as 40%. Are you surprised at that? I know the provincial department of fisheries has some scientific analysis capacity within it, but it's not the primary source of scientific advice; it's the federal government that is. Could you just sort of relate to us your impressions about a 63% cut in one season?

Hon. Rick Doucet: Look, I'll tell you something. Had I known the 63% was coming, I think we would probably have been bracing the industry. We didn't know the 63% was coming. We were anticipating 40%. We were averaging in the area of about 40%.

Hon. Gerry Byrne: Thank you.

The Chair: Thank you.

Monsieur Blais.

[*Translation*]

Mr. Raynald Blais: Thank you very much, Mr. Chairman.

Good afternoon, Minister.

Hon. Rick Doucet: One moment, please.

Mr. Raynald Blais: That's fine.

[*English*]

Okay.

I will try it in English.

Hon. Rick Doucet: Excuse me. I was trying to drink a little bit of water. I was over at Grand Manan this morning and I had some fresh Grand Manan dulse. It was a little salty.

Just a second. I've got to turn this creature on. It's just like a remote control.

Okay.

[*Translation*]

Mr. Raynald Blais: Thank you very much.

What you've said so far about responsibility is music to my ears. For some time now, I've been saying that, from the moment we accept a responsibility, such as responsibility for the resource, regardless of the resource, there comes a time when we also have to accept responsibility for the impact of our decisions.

As you know, and as we know as well, the effects are numerous. If we had to analyze them, we would probably see that there are horror stories that have an impact on health and social services. In Quebec, people were talking about the uncertainty over the crab fishery. It's true that there is an economic impact, but there is also a mental and psychological impact. That's not apparent. Unfortunately, job losses are apparent and hit hard, whereas the difficulties people may experience in mental health or other terms are less apparent. However, they ultimately catch up with us.

Apart from the economic impact, have you and your colleagues observed whether there has been any impact on health and social services?

[*English*]

Hon. Rick Doucet: Thank you to the member for the question.

You know, at this point in time we have our department, we're on the ground, we have the post-secondary education and the mobility program on the ground, so at this point in time, no. We're concerned about the socio-economic aspect of it presently. As far as seeing impacts, like some of the impacts we talked about, we haven't seen those on the ground as of yet. That could be something we could see later, because what happens is there are other fisheries that will be kicking in. We have the lobster industry, we have the herring, so there are going to be other processing factors that will be taking place.

I hope I'm answering the question a little bit, but on the socio-economic impact, yes. We're going to be seeing that because it's the number of weeks that people are looking to gain access to, to be able to get their unemployment insurance, to be able to survive. So if those people do not get their weeks, we'll probably see some of the social programs that may have to kick in there. But at this point in time, it's too early to tell. We're basically finishing up a season, but there are other seasons that have been kicking in.

At the same time, we've been doing our work with respect to some of the mobility programs, where we can actually move plant workers from one end of the province to the other. I'll just use a good example: southwest New Brunswick. If we had space to house the people, we could move the people to southwest New Brunswick in the salmon industry. We could move them into the sardine plant, because they're always looking for people; they're always looking for foreign workers or for workers to fill the gaps. Those are some of the challenges as we move forward. How can we move these people, to mobilize them to where there is work? We're going to continue down that road.

● (1340)

[*Translation*]

Mr. Raynald Blais: With regard to the discussions you've had with the minister or federal government people, have you been able to see any possibility for cooperation on costs? Every time we put the question directly to the minister, we're told that talks are underway. Everyone knows you can talk and hear nothing, just as you can talk and say nothing or do nothing.

I'd like you to tell us what kind of talks are in fact underway.

[*English*]

Hon. Rick Doucet: Thank you for that question.

It's kind of interesting because we can go back a couple of months. At the time, at the Boston Seafood Show, where I did have the opportunity to have some discussion with the minister and the regional minister for New Brunswick, who is the Honourable Keith Ashfield, one of the things.... Look, I'll tell you something. I take people at face value, to be perfectly honest with you. I'll work with anyone, but I take people at face value. One of the comments that was passed to me was, “We're concerned about the reduction in quota”, and we were all anticipating 40%. But the point is, the minister did express to me that her department was conducting an analysis of the impact that the quota drop was going to have on our industries. I said, “That's good, I understand that. I'm glad, because we have to work together. We have to come up with some solutions so that we can help mitigate the impact on the industry for the short term and look forward to the long term.”

But yes, there was that discussion that took place back in...when was the Boston Seafood Show? It was in March, so there was plenty of time in advance. Taking that at face value, as I said, I understood that collaboration was taking place and that we were going to be included in the loop. There was going to be some discussion on that.

[*Translation*]

Mr. Raynald Blais: With regard to responsibility, we'll eventually have to make some recommendations. I have a lot of them in mind. There are a number of recommendations that we will eventually discuss. I read and heard that you had recommendations to submit to us. In financial terms, there is a cost related to all this.

Do you intend to make a recommendation on that point? You could make one later, once we have the actual figures. However, if we had to make one now, I suppose you would already have some figures in mind. You referred to financial losses of $170 million.

[*English*]

Hon. Rick Doucet: We've had some discussions on that aspect, but I guess it's “don't close the door on us”. From our meetings in Ottawa, I was hoping we'd at least be able to establish a working group at the senior bureaucratic level at DFO, along with our group, to move forward. How do we move forward? How do we have these discussions?

No olive branch was extended. We extended the olive branch to say we'll work with them. We'll work with them on this.

Post-secondary education was discussed. Who was that discussion with?

● (1345)

Mr. Jim McKay (Deputy Minister, Department of Fisheries, Government of New Brunswick): It was Human Resources Canada.

Hon. Rick Doucet: Yes, the name has changed, but it was Human Resources Development Canada, with respect to qualifying weeks for employees and whether some adjustments could be made to get these people over the hump during this crisis.

You can't throw this at us and then walk away from it. We all have an obligation here. If you're going to do something that's going to have an impact on communities, you then have a moral obligation to stand behind those decisions and say they're the right decisions, we're going to help the communities get through this, and we're going to work together, instead of downloading them and throwing them on the shoulders of the provinces.

The Chair: Thank you.

Mr. Donnelly.

Mr. Fin Donnelly: Thank you, Mr. Chair.

Thanks for being here, Mr. Doucet. I appreciate your comments.

You actually touched on most of the questions I wanted to ask.

I should mention that I'm from the west coast. We have an issue with salmon right now, the wild salmon fishery and the fish farms. I have a real interest in going there, but we're here for snow crab. I'll leave it until after this meeting to chat with you.

In terms of consultation, David Bevan from the department mentioned earlier that the provinces were consulted, first nations were consulted, and industry was consulted, in terms of the TAC and the recent announcement. You mentioned that you had discussions with the department, but the outcome wasn't quite what you had anticipated. I think you've answered that question.

We had Mr. Basque, with the Mi'gmaq, earlier today. He said they didn't feel they were consulted at the level they would've liked in terms of consultation.

As I have only five minutes, I'm going to ask my three questions. Again, as I said, you've touched on most of these, but perhaps you could comment a little further.

On marketing and the importance of therefore looking at MSC and certification, how do you see that?

In terms of investment and value-added programs, or essentially any programs that would bump up the price of what you could get per pound from any product, perhaps you could comment on that.

In terms of programs that the feds or the provinces, in conjunction with the federal government, could work on or that you could recommend for times like this when there are decisions that affect workers, what types of programs would you like to see the federal government offer? Any specifics would be helpful.

Finally, could you recommend any long-term access management models or suggestions?

Hon. Rick Doucet: God, you've given me a buffet.

Mr. Fin Donnelly: Unfortunately, you have only three minutes.

Hon. Rick Doucet: Okay. You kind of skipped on MSC certification. You talked about investment and value-added programs, the federal government in a crisis like this, and access management. So basically there are four things.

Look, I'll tell you something. I'm for certification. We've been working on the market side for ages, and its not great, but since I've come into it, for four years one of the things I've really been clear on is that the markets have changed and the world has changed. The wharf is no longer your marketplace; the world is. We have to be reactionary to what the world changes are and what's happening in the world.

MSC certification is that opportunity that separates us, that shows our fisheries have been certified. It's well managed, it's sustainable, and there are a lot of aspects to it. There are a lot of parameters to go into MSC certification.

Do I feel the models for MSC certification really work? I'd have to question it, because there are so many different models. There are so many certification brands out there. But MSC certification or certification of some kind is coming on very strongly, and every supermarket chain is coming out of the woodwork. There's Loblaws; there's Provigo. They're just lining right up, because they want to make sure whatever fishery products come into their retail operations are from a sustainable resource.

In New Brunswick most of our fisheries are from a sustainable resource. I really would like to see us come out with a made in New Brunswick solution for sustainable products, because I think we position ourselves in the world market to be a world leader, and we're recognized around the world.

If I can segue for just a moment, the lobster trust foundation that we've established is to protect lobsters for generations upon generations to come, and we've been recognized around the world. There's the Darden's restaurant chain that partnered with us on this a few years back, and we finally came to the realization that it's here.

My objective is to have anywhere between $30 million and $40 million in this trust fund, so that when we start doing lobster habitat restoration or lobster enhancement, then we're in the game.

Just quickly on that topic, on the sustainability side with the trust foundation, we're recognized around the world as being a contributor on the sustainable side. Can this model be moved into Nova Scotia and Prince Edward Island and possibly Newfoundland? I really think it can. I think there's an opportunity here, and just on the lobster side, with that aspect of certification, I think we can move forward with our own plan in Atlantic Canada with this sustainability. We're not only doing the talk; we're actually doing the walk.

Quickly, I'll turn to investments on value-added.

I heard the little beeper going. I don't know if that's a signal that I was supposed to kind of quieten down there. I think at the last committee you said my time ran out, so I'll just....

You talk about investment in value-added. For years we get into this thing of packing and shipping commodities: let's pack and ship, pack and ship. Well, why don't we add the value that's needed right here in Canada, so we provide a product to the marketplace that's suitable for that market? It's not rocket science; it's just a matter of going to the market and finding out what their demands are, what it is they truly need, and let's process it right here.

Just as an example, in the Acadian Peninsula we're used to packing and shipping herring roe—pack and ship, pack and ship. I've got to tell you that the seafood processing plants in New Brunswick are extremely innovative. They've gone to the Japanese and worked with them and asked how they could provide a product for them that's market ready. So they've started that process where they're actually doing the packaging of the herring roe in New Brunswick and getting it to the marketplace, and it is exactly what they're looking for, exactly to their specifications, and a very high standard at the same time.

So yes, value-added is tremendous, because if you're shipping commodities, you're not maximizing your price. Let's find the mechanisms that you can further outweigh and get a better price on yield instead of just getting that commodity out the door.

● (1350)

The Chair: Do you have another one?

Mr. Fin Donnelly: Just a quick comment on the worker programs, and then maybe if there could be a submission of your comments for management in writing, that would be helpful.

Hon. Rick Doucet: Access management...we talk about resource management. Right across the line we've been dealing with a capacity issue: too many fishers chasing too few fish. Fleet rationalization, I think, is an area that we really have to get serious about, start talking about. Why are the resources overfished? If we continue down that road of maintaining the pressure we have on the resource, it's not going to last for very long. We have to have some very serious conversations about rationalization and how we move that forward.

In the lobster industry, 10,000 fishermen are on the water in Atlantic Canada. What's the real number to strategically rationalize this industry? Probably 4,500 or 5,000 people. How do we get to that level?

I can submit the information on the programs at another time.

The Chair: You can send that to the clerk, Mr. Doucet.

Hon. Rick Doucet: Sure. Okay.

The Chair: We'll make sure that members all receive copies.

Mr. Allen.

Mr. Mike Allen: Thank you, Chair.

Thank you, Minister, for being here today.

Minister, I would just like to start with the report done by Gilles Thériault, from GTA Fisheries Consultants, in November 2007, which I'm sure you're familiar with. Some of the comments you chose to make in your opening statement are a little surprising, given some of the statements that are in the report. There are a couple of things I'd like to read into the record.

In section 3.3.1. it says:

> We know that the abundance of snow crab will be declining for the next few years, possibly bottoming out towards 2011. This will require significant adjustments on the part of the fleets. Once again, it may become difficult for the fleets to agree on changes to be implemented. This could once again constitute a source of conflict.

Further on, it talks about “Absolute uncertainty from one season to the next”. It reads:

> Uncertainty regarding the quantities of crab that a processing plant will receive each season and each year means that workers never know what to expect from one year to the next. It is not known whether any one plant will hire 50, 100 or over 200 workers in the spring, because this decision depends on the number of fishers who agree to sell their catches to that plant that year. Hence there is perpetual uncertainty....

Then it goes on further, talking about the wide swings in variations in TAC.

I'd like to ask a question. There were several recommendations in that report with respect to rationalization processing, updating it, and that type of thing. I'd like to know what the province is undertaking with respect to the recommendations in that report.

● (1355)

Hon. Rick Doucet: If I recall, when working with that report and when working with Gilles Thériault on that report, yes, there was some discussion with respect to what was happening with the resource and the cyclical decline. By the same token, at that time there was crab going every which way. They were talking about how many plant workers should be coming into the plants, where the plant workers were going to be going.

At the same time, there was an abundance of crab coming into the wharf, and we didn't know where the crab was going. This report was to find out how we could work together to collaborate not only with the harvesters but also with the processors in the market, so we could maximize the values and optimize the values to New Brunswick plants. I made reference to three plants. Sorry, there are 12 processing plants. The objective was to bring the product in and process it in a regulated manner so that each of the plants would be able to maintain its viability, instead of being completely destabilized with not knowing how much crab would be coming in at any given time. There were times when the crab would hit the wharf and be picked up by a truck and be going to a neighbouring province for processing. It was an uncertainty.

The objective there was not so much to talk about biomass but how it is that we can maximize the value of that crab that is coming onshore to the value of the New Brunswick industry. That was the utmost importance at that time. At that point in time we were dealing with surpluses of crab that were coming onshore, that were landing at the wharves. They couldn't process it fast enough. What we were trying to do, as I say, was maximize the value of the crab coming onshore so that all plants could have a stabilized access, so that the crab wouldn't be wasted, so that the plant workers were getting their proper hours. How do we find mechanisms so that there's not that glut of crab coming in where we have to have people working for 24 hours in a plant to make it happen? How can we spread it out, pace it a little bit throughout the season?

Mr. Mike Allen: As you're aware, there's obviously been quite a reduction in the number of people working in those crab plants as well since 2000. One of the recommendations, considering that many of the New Brunswick food processing plants are in a precarious state, in view of their advanced age, and even obsolescence, was that the Government of New Brunswick develop an industry rationalization program. Has there been any thought given to that, and what progress has been made since this was recognized in 2007—including the impact on the employees?

Let me take that one step further. I'm a little bit surprised by your comments with respect to the lack of working together, given that for the two years, 2009-10 and 2010-11, significant HRSDC dollars have come into each province, with some flexibility, as you are well aware, including for labour market development. There's $120 million this year.

Can you let us know where that might be going and if any of that could be tagged for assisting some of the employees and for some potential creative solutions to the processing situation in New Brunswick?

● (1400)

Hon. Rick Doucet: You talk about the number of plants. In New Brunswick there are no new licensed plants, and there's a degree of self-rationalization that's taking place. There's only so much capacity that a province can handle. We're not facing the outlook of licensing new plants. The plants that are presently operating could be doing their own rationalization process as they move forward.

Today, we look at the viability of what has transpired and what's been taking place this year. Some plants just won't be able to make it, because they're going to lose their base of employees. In some cases, some of their employees are going to say, “I'm going to find something else”, or “I'm going to move elsewhere”, because we've taken the stability away from them. We've taken away their ground rules of being able to continue their life earnings in these plants.

When I go into the plants and have the opportunity to talk to the plant employees, all they're looking for is work. They would just like it to be structured in such a way that they can work their weeks. We understand that the biomass is going to change; we all get that. But if there had been a way that we could have structured the quotas to match the biomass going back a couple of years ago, we wouldn't be sitting here today; we would have viable industries.

I'm sorry, but I just can't help it. Working with the plants and talking to the employees about the impact and what's happening....

You mentioned the $120 million. We didn't know it was going to have to be used for crab; we didn't know this was the direction the situation was going in. We could probably have tailored some of the programs, or we could have had an earlier ask for maybe more. But for me to provide that answer today, I'd have to get some more background information on that to say how these funds were handled and where exactly they went. Frankly, we didn't know that we were going to have to earmark so much of that money that was coming in to the crab industry. Had we known, had we been better prepared for this, then we could have worked collaboratively on it and asked, “Okay, what are the answers here? What are the solutions?”

I know maybe it's not for me to ask a question, but I have to ask: did you folks have conversations with your federal minister before this allocation of the TAC was presented to New Brunswick? Were there any conversations or any consultation with you guys? I ask because I didn't hear about it. As the minister of the province, I didn't hear about it until 11:35 on the day of—11:35 on the day of—the announcement. I was broadsided.

So I'm hoping that maybe you folks were given a heads-up a little sooner and at least were able to have some discussions as to what the impact would be, because this is your province also.

Mr. Mike Allen: I guess we shouldn't all be surprised, given the cyclical nature of the industry, that we were going to hit this low point sometime. That's why I'm asking the question about being out in front of that. The employees in those plants knew we were going to be hitting these cycles, and we know we have an aging stock. Wouldn't it be prudent to be planning for this, even on the processing side?

There have been reductions in the TAC each year since 2006. We could argue about the quantities, but there has been a reduction in TAC. What are some of those things the province can do on the processing side to get ready for this modernization, knowing that we're going to see a reduction in the number of employees? The average age now is about 51 or 52 years old.

I just put that out because it is important to those workers, and from the province's standpoint, a transitioning maybe to a much more skilled workforce in these plants because of the different types of equipment and efficiencies involved....

Hon. Rick Doucet: We could argue this until the cows come home.

We were bracing ourselves for 40%, and the industry was getting ready, the harvesting sector, the processing. They felt that 40% was bad enough, yet they were finding some glimmers of light, some hope to be able to get through it. Nobody knew that 63% was coming. Not one person in the industry, absolutely no one, knew that 63% was going to hit us broadside like that.

As I said, I found out about it the day of, a couple of hours before the House went in at one o'clock. At 11:35 a.m. I got a courtesy call from the Minister of Fisheries, who, by the way, very nicely called my fisheries critic that morning to let him know. I thought, “Well, that was great collaboration.” As I said to Raynald only a few minutes ago, I take people at face value.

I respect the decisions that are made, but at the same time we have to respect each other and know what's coming our way. There was an opportunity and there were all kinds of off ramps to let us know what was going to happen. If you ask anyone from the crab sector, if you ask any fisherman, if you ask any plant worker, if you ask any operator of a fish plant what was coming, they will tell you the same thing: they didn't know. They knew they were bracing themselves for an impact, but they had absolutely no idea. That's like my mother putting on Christmas supper for 10 people and having 25 people show up.

We have to work together, and it has been the spirit that I've put across for the past four years, with all ministers, that we have to have a spirit of cooperation, where we work together, because no matter what decisions you make, they're going to impact coastal communities. We need to work together as to what the impact is going to be in those coastal communities.

Moving forward here, we could talk about this and talk about the mistakes, but let's take this and learn from it. How do we move forward on this? With some of the work we've been doing in the provinces, how do we rationalize the industry? We've worked hand in hand with the processors, the marketers, the harvesters. How do we brace ourselves for the older population? How do we modernize the plants to prepare for the future?

A lot of the plants have picked up that challenge because they're realizing that their workforce is aging, things are changing, plant workers have completely changed, and they've had to modernize. Come into Connors Bros. next month, as an example. If you want to see a state-of-the-art facility...that's a sardine plant that's been around for over 100 years, and they've just invested, give or take, $18 million in that plant to modernize it and to prepare themselves for total utilization of the species.

One of the things we've been talking about for the past couple of years is how we utilize from the mouth of the fish to the tail. How do we utilize every piece of that fish? Look and see what Connors is doing. They've changed their process; they're mechanizing. They've mechanized to the point of getting better value from the product. They're utilizing the total species. It's tremendous work they're doing.

Did that beeper go again?

● (1405)

The Chair: I have one question, Mr. Minister, if you don't mind. We've had a lot of discussion here today, and there has been a lot of discussion around the sharing arrangements with the crab, and a lot of discussion among the traditional fleet and what some people call the new arrivals, new entrants into the crab fishery here in New Brunswick and in the gulf.

There's a recognition, no question, of the cyclical nature of the stock. My question is about the sharing of the stock or of the quota, taking into account its cyclical nature. There were some suggestions today that the traditional fleet has some needs, if you wish, and the needs...some graphs were presented to the committee that outlined the needs of the traditional fleet to maintain the industry, so to speak.

Back in the day, a position was taken by the provincial minister when the decision by the federal minister to make that a permanent share...and I guess a suggestion was made today to the effect that when the stock drops below a certain level, then the TAC has to drop below a certain level and the LIFO formula should be applied. I know you're aware what LIFO is: last in, first out.

The province wasn't shy back in that day to take a position on that. What's the position today?

● (1410)

Hon. Rick Doucet: I'm glad you mentioned that. We're not against sharing. Had the quota been in great shape, it wouldn't be an issue. We wouldn't be in this discussion at all. We wouldn't be having this committee had we had a viable industry, but the crisis comes about when you don't have a viable industry.

If you're talking about sharing, we go back to the Fisheries Act. It's the same old broken record conversation I've had for ages. You've got to clearly define the parameters. They've got to be crystal clear as to how you have discussions and how you move forward. The only way you can define the parameters as to sharing arrangements is in direct consultation with the industry—not only the harvesters, but also the processors. How is this going to impact? What is going to happen with the entire industry? At the same time, you start having discussions about viability. How do we maintain viability of the fleets? Each of the fleets has to be viable to continue to prosper. So here we go back to that situation of getting serious about rationalization.

As an example, we've been working with the groundfish fleet for years now. When you were minister, they were having trouble with their viability. Now we're into the same situation, but we have to get serious about how we work on rationalization with these players.

I keep on going back to the Fisheries Act. Every one of you folks around this table has a responsibility. When this Fisheries Act comes to the table in the House of Commons, we have to get it to the point of having the standing committee do the examinations so we can clean up the edges on it, so we can work together collaboratively, interprovincially. Across Canada, how do we work this act so that it's going to best suit our needs? We've got a once-in-a-lifetime opportunity. For God's sake, that act is as old as Confederation. I think it's as heavy as all get-out, because it must be written on slate.

We have to get that act in place. So not only the government members, but also the opposition have to play a vital role, because each of my colleagues in Atlantic Canada supports this. We support getting it to first and second reading so that we can get it to the committee stage, so that we can have the discussions with the provinces as to how we move forward.

Will it be perfect for everyone? No, absolutely not, but we've got to take that opportunity to do our due diligence and do what's right for Atlantic Canada. I'm thinking for Atlantic Canada, but across Canada as to what this act really entails and what it means.

On that, Rodney, I go back to the viability of the fleet. The fleet has a right to be viable, and there have got to be strong discussions about the parameters, how sharing arrangements take place. As I say, we wouldn't be having this discussion here today, none whatsoever, if we were dealing with viability in the quotas, if the industry were viable.

The Chair: That was the argument that was put forward back in my day, as you pointed out—as long as the quota is sufficient—but we all know this is a cyclical stock. As long as the quota is sufficient, there is no question. I appreciate your comments.

Minister, on behalf of the Standing Committee on Fisheries and Oceans, I want to thank you for coming today. And thank you as well to your deputy. It's good to see you again, Jim. Thank you for coming today and appearing before our committee and taking the time to answer all our questions. Thank you very much.

The meeting is adjourned.

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