

Response to PERT Report The Fishery

By Barry Darby and Helen Forsey

Changing Course

The small Fishery section of "The Big Reset" is profoundly disappointing. It presents a biased and superficial picture of the sector, implicitly belittling the importance of the fishery to our province's economy and society. Of the 300-plus page PERT report, the wild fishery occupies a scant seven pages, with just two recommendations out of the total of 78 (five out of 179 if you count sub-recommendations.)

The report demonstrates a vast ignorance of and indifference to the fishery. Despite the wealth of information and ideas easily available in the public domain, the Team did not do its homework. The report's 82-page Bibliography contains references from various organizations involved in oil and gas, hydro, and mining, but cites almost no fishery-related sources: there is nothing from the Marine Institute, the Association of Seafood Producers, the Fish Food and Allied Workers (FFAW), the Canadian Council of Professional Fish Harvesters (CCPFH), or even the federal Department of Fisheries and Oceans (DFO), which governs our entire fishery. Not surprisingly, then, the authors show almost no understanding of the realities of our fishery or its context – for example, the considerable difference between the economics of a processing plant and the economics (bioeconomics) of ocean harvesting.

The pro-corporate, pro-industrial, "bigger is better" bias that permeates the whole report is clearly predominant in the fishery segment. As a framework, it presents two contrasting "visions" for the future of the fishery – "a highly capitalized industrial approach with higher incomes for fewer participants," versus "a more traditional lower capitalized industry with more plants and more seasonal work supported by EI." This is a false dichotomy – one of those simplistic set-ups that misrepresent complex issues as either/or choices, thereby excluding from the discussion the rich diversity of possible alternatives. The authors are then able to disparage one view (in this case, the "traditional" one), leaving the other as supposedly the only option – one that fits beautifully with the PERT's overall approach.

The report disparages the way the Employment Insurance system operates and its effect on harvesting. The relevance of this criticism at the provincial level is questionable, since EI is a federal system and harvesting policy is a federal responsibility. But in any case, fish harvesting, like tourism and agriculture, is subject to seasonal limitations, not only in NL but across the country. So of course workers will turn to EI; that's what it's there for.

Moreover, where EI impacts NL's fish processing sector (provincial jurisdiction), the short employment periods result directly from DFO's establishment of particular harvesting seasons for each species and the province's refusal to permit multispecies processing by all fish plants. But the report does not reflect the distinctions among jurisdictions or the structural problems that arise from them.

It is unreasonable, to say the least, to imply that we should change our fishery so that EI would not be part of it. It's not as if there aren't sensible and informed proposals out there about what could be done to meet these challenges. Rick Williams's book, *"A Future for the Fishery – Crisis and Renewal in Canada's Neglected Fishing Industry"* (Nimbus, 2019), addresses the EI question specifically and in detail, together with an in-depth analysis of the labour market issues in the Atlantic Canadian fishery. But Williams' book, like other pertinent sources, is not listed in PERT's Bibliography.

Two of the five recommendations in the report's fishery segment – rebuilding NL's fisheries for future generations and taking the lead in research and management – fall into the motherhood category, and mainly in federal jurisdiction. Two other recommendations are mutually contradictory: one calls for increased fish processing, while the other recommends that no new processing licenses be issued.

The remaining recommendation, for equal custodianship of our marine resources with the federal government, was a rallying cry in the 1990s, but has since been largely abandoned as constitutionally unrealistic. Nonetheless, the point is well taken – the Province must indeed strengthen its voice on fisheries issues, push the federal government to listen, and demand that our experience and advice carry their due weight in DFO's decisions.

Beyond those five, however, the report's recommendations on the fishery are most noticeable by their absence. The authors make no recommendations at all on what appear to be some of their key points. For example, they criticize the current harvester-processor collective bargaining model, calling it "anti-competitive by nature" and claiming it ignores quality and other market considerations and can be disadvantageous to plant workers. They applaud transferable quotas and market-driven supply chains, and refer to fish auctions, yet they do not recommend anything. It would have been helpful if they had proposed more balanced and workable collective bargaining mechanisms (such as the single-desk selling used successfully in some agricultural sectors) instead of, in effect, condemning collective bargaining itself and leaving it to government to replace it with something unknown.

The report refers to better fishery management in Iceland and Norway, but again makes no recommendations. This despite the fact that Gus Etchegary of the Fishery Community Alliance met with Dame Moya and attempted to convey to her and her team the clear and feasible recommendations the group has been making publicly for months if not years. Notably, last October, they wrote to Premier Furey urging that a delegation of Newfoundlanders and Labradorians with in-depth fishery expertise visit Norway and Iceland to explore the problems with the North Atlantic fishery, discuss how they do things there, and come back to advise our governments. Surely PERT could have recommended that?

The recommendation to reinstate the threshold requirements for processing licenses is particularly baffling. "The Big Reset" is very big on privatization of government assets and activities. Fish processing is already a private sector domain, yet the report is urging the government to reassert its involvement in this business, right down to defining who can process what species, where a plant can be built, and a host of other requirements laid out in the provincial Fish Processing Licensing Act.

There are also some clear distortions of the facts. In regard to northern cod, the report states that "spawning stock biomass has dramatically declined and current values do not [reach] the minimum needed to support a commercial fishery." However, figures for the past several years show a relatively stable estimated 400,000-tonne biomass, while annual removals barely exceed 2%. In the past we sustainably harvested 20-40% annually, and that is still the case in similar stocks in Iceland and Norway. It is obviously ridiculous to suggest that our current 2% represents overfishing.

Elsewhere, the authors confuse correlation with causality, stating that higher landed prices for snow crab were the result of "collaborative behaviour" between harvesters and processors, when it was simply that the world price went up. In regard to the labour supply, they suggest that efforts to increase employment opportunities by favouring the labour-intensive inshore fleet represents a contradiction with the use of temporary foreign workers in fish plants. But harvesting and processing are two very different labour markets, and there is no contradiction involved.

The report's authors are critical of DFO's recent prohibition of controlling agreements between harvesters and processors. They claim this inhibits vertical integration, and "removes any mechanism for processors to maintain security of supply," without which, they say, the processors have trouble accessing capital. This may be another case of conflating correlation with causality, but if that's a problem in this time of very low interest rates and excess capital, surely it's not up to the government to solve it. And harvesters should not have to submit to outside control in order to access operating capital.

In conclusion, the fishery segment of the report starts from a series of faulty assumptions, proceeds without reviewing a diverse range of sources or checking its facts, imposes its pro-private

sector leanings and ignores alternative analyses. Shallow and biased, this report leaves the government, the fishery and the public worse off than before.