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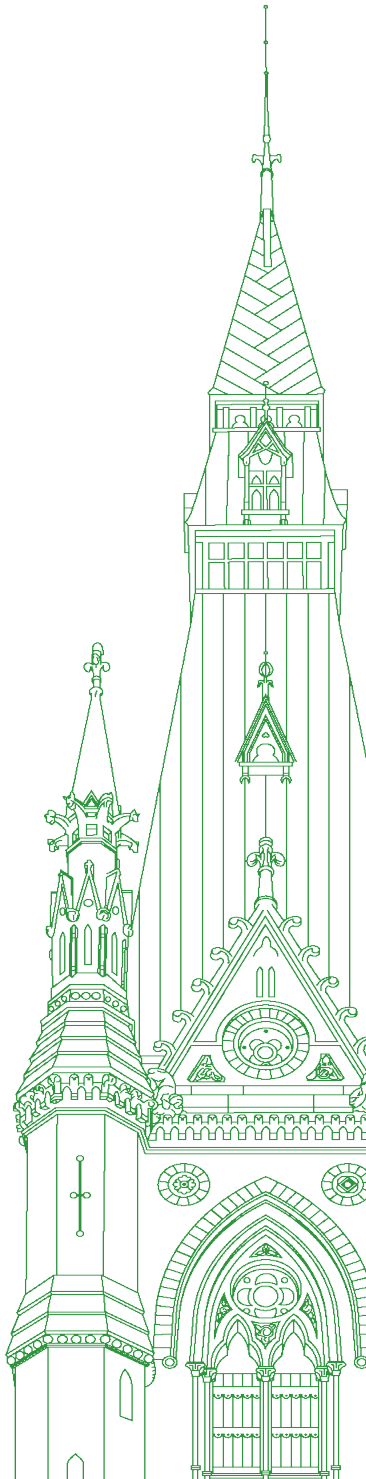

Chair: Mr. Ken McDonald

Standing Committee on Fisheries and Oceans

Monday, October 21, 2024

● (1100)

[*English*]

The Chair (Mr. Ken McDonald (Avalon, Lib.)): I call this meeting to order.

Welcome to meeting number 122 of the House of Commons Standing Committee on Fisheries and Oceans. This meeting is taking place in a hybrid format pursuant to the Standing Orders.

Before we proceed, I would like to make a few comments for the benefit of witnesses and members. Please wait until I recognize you by name before speaking. Those in the room can use the earpieces and select the desired channel. Please address all comments through the chair.

Pursuant to Standing Order 108(2) and the motion adopted on Monday, September 16, 2024, the committee is resuming its study of the impact of the reopening of the cod fishery in Newfoundland and Labrador and Quebec.

I want to say a huge welcome to our witnesses. For our first panel, we have Sylvie Lapointe, president, Atlantic Groundfish Council; Alberto Wareham, president and chief executive officer, Icewater Seafoods Inc.; and Carey Bonnell, vice-president, sustainability and engagement, Ocean Choice International.

Thank you for taking the time to appear today. You each have five minutes or less for your opening statement.

Ms. Lapointe, you have the floor.

Ms. Sylvie Lapointe (President, Atlantic Groundfish Council): Good morning. Thank you, Chair.

I would like to thank the committee for inviting the Atlantic Groundfish Council to appear before you today to contribute to your study on northern cod.

Our offshore cod members are adjacent to the resource and are family-owned and family-operated businesses in Newfoundland and Labrador, including the Wareham family from Arnold's Cove and the Sullivan family from Calvert. Combined, our members employ more than 2,000 people from over 300 communities throughout Newfoundland and Labrador. This includes hundreds of crew members in our offshore operations who work year-round and live primarily in rural communities, contributing to regional economic development.

The return of the commercial cod fishery in Newfoundland and Labrador is something we have all remained hopeful about and committed to. The AGC and its members continue to be invested in the growth of this resource and its long-term sustainability. In this regard, we recognize the importance of Canada continuing its responsibility to be stewards of this iconic cod stock, and we will continue to contribute to this goal.

Over the last three decades, we have been working to rebuild the northern cod stock through continued engagement with Fisheries and Oceans Canada and other stakeholders at every opportunity available, including participating in and contributing to northern cod science assessments, advisory committee meetings and working groups. Of note, our commitment has included a $9-million fishery improvement project in partnership with the Sustainable Fisheries Partnership, with customers like Marks and Spencer, Young's Seafood and Thistle Seafoods in the United Kingdom, Sysco France, and High Liner Foods in Canada and the United States financially contributing to it.

Our FIP brings together academia, government, supply chain partners and industry. The FIP is conducting world-class, groundbreaking research on cod migration and stock composition. Our northern cod acoustic tracking project has improved our understanding of cod migration and genetic linkages. This knowledge is crucial to long-term fisheries management and to building a Marine Stewardship Council certified fishery.

The latest assessment of northern cod confirms that the stock has been in the cautious zone of DFO's precautionary approach framework since 2016 and is estimated to be 24% above the limit reference point in 2024. Results from the science assessment show that northern cod stock size has remained stable and relatively unchanged since 2016. Similar to previous years, we see that fishing mortality remains low and natural mortality continues to be high. We note there are some positive signals in the stock, such as above-average fish condition, a wide range of ages—indicating that older fish are surviving—broad dispersal of the biomass stock across stock units, continued recruitment at about 80% of historical levels and increased fishery catch rates. Furthermore, northern cod is now the second-largest groundfish stock in Atlantic Canada behind unit 1 redfish in terms of total biomass.

Based on these factors, this is no longer a stewardship fishery but rather a commercial fishery, consistent with the stock's cautious zone status. Without knowing until now that the stock has been in the cautious zone for eight years, there has already been potential revenue lost from this fishery. The economic and societal success of the northern cod fishery in Newfoundland and Labrador requires a balanced fishery, which includes inshore, midshore and offshore components. A balanced fishery will ensure continued access to premium global markets year-round, longer operating seasons for vessels and plants—which promote more year-round, higher-paying employment in coastal communities—and an environment conducive for investment in industry modernization and technology.

Our sector supports a balanced fishery that promotes the viability and stability of all fleet sectors. Within this context, the Canadian offshore sector was provided with access to northern cod for the 2024-25 commercial fishery. We continue to propose a phased approach that will see our share increase—consistent with historical levels—over time, as the fishery grows.

Going forward, as acknowledged by DFO, industry and other stakeholders, there is a need to begin assessing a suite of candidate harvest strategies for northern cod that can determine appropriate fishery removal levels for the stock as it moves throughout the cautious zone of the precautionary approach framework. This will require the determination of an upper stock reference point and accompanying harvest rate, which have not yet been established for this stock.

We welcome the department's commitment to convene the northern cod working group to complete this important work as soon as possible in order to have an approved harvest control rule prior to the 2025 season. We look forward to working collaboratively to achieve an appropriate harvest strategy for northern cod to support a long-term, sustainable fishery.

Thank you for your time. I look forward to your questions.

● (1105)

The Chair: Thank you for that.

We'll now go to Mr. Wareham for five minutes or less.

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

Many people have spoken at this committee about the start of the cod moratorium on July 2, 1992, and its end on June 26, 2024. I'd like to start by talking about the time in between those dates.

After the moratorium, most people and communities across Newfoundland and Labrador moved on from cod to other species of fish, other industries and—for some—other provinces. The Icewater Seafoods plant in Arnold's Cove, Newfoundland, has continued to process cod and only cod. To some, that might seem ill advised, but Icewater Seafoods and the people of Arnold's Cove defied the odds. Thirty-two years later, we are the only plant in North America focused solely on producing premium-quality North Atlantic cod year-round.

Many people, understandably, attribute that to the relentless commitment of my late father, Bruce Wareham. He knew that, while Newfoundland has a 500-year history of cod, it is a history of quantity and not quality. Newfoundland cannot compete in premium global cod markets or maximize the value of the species for people and communities by focusing on quantity. It has to be focused on quality. My father recognized this 30 years ago, and we have continued to focus on quality ever since.

We completed a three-year, $14-million upgrade in 2020, investing in technology needed to ensure the Arnold's Cove plant remains one of the top cod-producing plants in the world. We employ more than 220 local people, whom we proudly call our cod experts. Their pay is among the highest wages in the seafood processing industry in Atlantic Canada, and their pride and loyalty are clear. Two employees have celebrated 50 years of service, and there are currently 21 employees with over 40 years of service. What we have accomplished together is incredible. Our cod is supplied to premium markets, with the majority going to the U.K. and France—the two largest markets in the world for premium-quality cod. Icewater is one of only a few plants in the world approved to supply cod to Marks and Spencer. Even with a small cod quota, we proved it can be done.

The decision of one company and one community not to move on from cod has been critical to the local and regional economy for over 20 years. As of fall 2023, the company has contributed approximately $272 million, which goes back to the local economy through fish purchases from inshore harvesters, direct wages and salaries to employees, costs paid to local transportation and logistics companies for collecting the raw material throughout Newfoundland, and the products and services we source from local companies for the operation of the plant.

Let me be clear. None of this happens without year-round supply. This means that none of it happens without Canadian—or, in this case, Newfoundland—offshore harvesters being part of the fishery. We call this a balanced fishery. Marks and Spencer requires cod 12 months of the year, regardless of whether it is purchased from Iceland, Norway or Newfoundland. Newfoundland accounts for just 3% of the 2024 world supply of north Atlantic cod. We are not in a position to negotiate a seasonal supply.

When Minister Lebouthillier announced the end of the cod moratorium in June, it was a great day for the community of Arnold's Cove. While the Canadian offshore harvesters quota is only 6%, the economic value it enables is much higher. It allows northern cod to compete in those year-round global markets. That means more work for plant workers and better prices per pound for inshore harvesters, who benefit from the year-round model. In 2024 alone, the price increase to inshore harvesters is estimated to be $10 million.

I know some have highlighted to this committee just how fast inshore harvesters caught and landed their cod this year. In fact, they caught more in 48 hours than offshore harvesters were allocated for the entire year. However, a successful fishery isn't just about catching the fish and landing it. It has to be focused on landing a quality product that can be processed and sold to premium cod markets year-round. The top cod-fishing nations in the world, Iceland and Norway, have a year-round model. The majority of their cod is caught by trawlers that fish during the winter months. They have maintained MSC sustainability certification, the global standard for seafood sustainability. Their fisheries are successful.

If Canada wants a cod fishery that can compete on the world stage in premium markets, it cannot be an inshore-only model. It has to be a balanced fishery, with all sectors participating. We know what works. We proved it in Arnold's Cove. We ask this committee to have the courage to support priority for the inshore harvesters without shutting out local offshore harvesters, because that is the only model that works.

Thank you.

● (1110)

The Chair: Thank you, Mr. Wareham.

We'll now go to Mr. Bonnell for five minutes or less.

Mr. Carey Bonnell (Vice-President, Sustainability and Engagement, Ocean Choice International): Thank you for the opportunity to appear before the Standing Committee on Fisheries and Oceans.

Ocean Choice is a family-owned and family-operated Newfoundland and Labrador company started over 20 years ago by brothers Martin and Blaine Sullivan from the southern shore, an area of the province with deep roots in the fishery. Our company employs nearly 1,500 people from over 300 communities throughout the province.

Over the past couple of decades, Ocean Choice has made major investments in our groundfish operations, including preparing for northern cod. Chief among those investments were the construction and introduction of the MV *Calvert* to the fleet in 2020. At a cost of more than $60 million, this is the most modern and innovative green-class groundfish vessel in the Canadian fleet, employing approximately 80 local crew members on a year-round basis.

A lot of opinions have been expressed on the topic of northern cod since the reopening decision in July. We are all entitled to our opinions but not our own facts. Here are the facts on northern cod from our standpoint.

Northern cod is the second-largest groundfish resource in Atlantic Canada and the third-largest cod fishery in the world, with a total biomass of more than 500,000 metric tons. DFO's 2024 stock assessment confirmed that the northern cod stock is approximately 24% above the limit reference point, the boundary between the cautious and critical zones of DFO's precautionary approach framework. To the best of my knowledge, every fish stock in Atlantic Canada that is in the cautious zone of the PA framework has a commercial fishery. Why should northern cod be treated any differently?

The FFAW has repeatedly referred to a 40-year policy commitment on the first 115,000 metric tons of northern cod. No such historical policy commitment exists. The participation of offshore harvesters in the northern cod fishery in the post-1977 era was deliberate and carefully considered by government. The long-standing government allocation policy is a commitment to priority for the inshore, not exclusivity. Key elements of that policy were adopted in 1979 by DFO at the Corner Brook conference, which defined priority to be two-thirds inshore and one-third offshore. This was reinforced in 1983, when the government adopted the Kirby task force report, and then reviewed and endorsed in 2004 when the government adopted a policy framework for the management of fisheries on Canada's Atlantic coast.

The 2024 allocation decision is one based on well-documented public policy that provides priority access to the inshore and indigenous groups in Newfoundland and Labrador but also respects the historical rights of the offshore sector. The misinformation regarding the Newfoundland and Labrador offshore sector is especially disappointing.

Some misconceptions about trawling linger from pre-moratorium fisheries, but others are perpetuated by groups attempting to advance their own agendas. The seafood industry has changed drastically over the past three decades. Today, the offshore sector adheres to rigorous standards, including independent observer coverage, spatial closures, vessel-monitoring systems and many other measures that minimize environmental impact for all species.

These measures are essential for preserving marine ecosystems while meeting global food demand responsibly. In Iceland, for example, more than 124,000 metric tons of cod were harvested by trawling in 2022, accounting for 52.4% of cod landings for that year. In fact, trawling has been the predominant gear used in Iceland to fish cod for more than a generation. We have knowledge that the Icelandic cod fishery is considered the most sustainable in the world, so it's illogical to reconcile that with the current debate here that 1,080 metric tons of northern cod harvested by the mobile gear sector will somehow do irreparable harm.

Offshore fishing vessels such as the ones operated by OCI employ Newfoundlanders and Labradorians. They operate year-round and land at local wharves and cold-storage facilities, where they off-load and are serviced, providing millions of dollars in direct and indirect wages and economic spinoffs in coastal communities. In the case of northern cod, virtually all of the quota harvested on our offshore vessels will be further processed at Icewater Seafoods in Arnold's Cove, creating local employment and extending operating seasons.

For those worried about repeating past mistakes, keep in mind that the 2024 decision established a very conservative exploitation rate of approximately 5%. Most cod fisheries today have exploitation rates in excess of 20%, and northern cod rates exceeded 50% leading up to the moratorium. Furthermore, northern cod is assessed annually, and exploitation rates can be adjusted accordingly based on survey results.

What should be most celebrated about the reopening decision is that domestic allocations were provided to Newfoundland and Labrador inshore, northern, indigenous and offshore interests for the sole benefit of this province. That's 18,000 metric tons of cod that will be harvested, processed and marketed in our province over longer operating seasons, making us far more competitive globally. This is a very good start to a reopened commercial cod fishery.

In closing—perhaps the best indicator of where the truth lies on this issue—the Federal Court ruled last week on the FFAW's injunction request to suspend the 2024 decision. In a forum that deals solely in facts, the court soundly rejected the FFAW, stating, among other things, that the court cannot issue an interlocutory injunction when the remedy the applicants seek is precluded by their own actions. That fish has swum.

Thank you for considering my input. I welcome any comments or questions.

● (1115)

The Chair: Thank you for that. I think it's the first time three witnesses either went right on time or a bit under time, so you're to be congratulated.

We'll now start with our rounds of questioning.

Mr. Small, you're up first for six minutes or less.

Mr. Clifford Small (Coast of Bays—Central—Notre Dame, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for coming out today to take part in this very important study.

My first question is for Ms. Lapointe.

Ms. Lapointe, the 115,000-tonne promise to the inshore fleet was made by the Prime Minister during the 2015 election campaign. It stated that a Liberal government would allocate the first 115,000 tonnes of northern cod to the inshore fleet.

Given your extensive knowledge of our commitments to NAFO, is that a promise the Prime Minister and his ministers could have kept to the inshore fleet?

Ms. Sylvie Lapointe: Thank you, Chair, for the question.

As I recall, the commitment was made by the Liberal Party. The letter was in response to a questionnaire the FFAW sent to all political parties during the 2015 election.

I can't speak about NAFO commitments per se in this regard. However, as my colleague Mr. Bonnell noted, there's never been a policy or legislative commitment to give exclusive access to the first 115,000 tonnes to inshore. Priority access was outlined, but not exclusivity.

Mr. Clifford Small: If a quota was set in excess of 100,000 tonnes, do you not think the federal government would have to deal with NAFO and the 5% commitment to them? Could a government have issued that allocation to the inshore fleet and not have had push-back from NAFO somewhere along the line? Is it a promise the Prime Minister could have kept?

Ms. Sylvie Lapointe: The NAFO commitment is this: Once Canada declares a commercial fishery for northern cod, NAFO-contracting parties are entitled to 5%.

Mr. Clifford Small: Do you think the Prime Minister made a commitment he just could not keep?

Ms. Sylvie Lapointe: Exclusive access—which, as I said, has never been a long-standing government commitment—is definitely not possible if 5% needs to go to NAFO-contracting parties once a commercial fishery is opened.

Mr. Clifford Small: We hear a lot of talk about bottom trawling and whatnot. It's a well-known fact that vessels travel nearly 2,000 miles from the Faroe Islands to fish the Flemish Cap for codfish using hook and line.

Is it not possible that we could have an offshore fishery using hook and line if vessels only have to travel 150 miles, Mr. Bonnell? Do you think that would give a greater eco-certification to northern cod harvested in Newfoundland and Labrador?

Mr. Carey Bonnell: No. There's a long history of mobile gear fishing. Some of the most well-managed fisheries in the world are trawl-based. Of global fisheries today, 25% are trawl-based, and 84 trawl-based fisheries are MSC-certified. I think Dr. Ray Hilborn testified about this at the court hearing.

We're some of the most well-managed fisheries in the world. How we fish today with mobile gear is nothing like how we fished pre-moratorium. The volumes we fish today are nothing like those we fished pre-moratorium. In fact, a significant portion of the inshore fishery in Newfoundland and Labrador is trawl-based. You're having a huge debate here about unit 1 redfish. Well, how do you think they fish? For inshore, midshore and offshore, it's all mobile gear fishing.

I'm not criticizing it. It's done sustainably. The rules and management measures in place are far better today than they ever were in the past.

Mr. Clifford Small: Thank you, Mr. Bonnell.

Pre-moratorium, what percentage of fish harvested by OCI—formerly FPI—was processed in onshore plants in Newfoundland and Labrador?

● (1120)

Mr. Carey Bonnell: That's pre-Ocean Choice and pre-Carey Bonnell. You're looking at pre-1992.

Historically, about 46% was fished by the offshore sector. A fairly significant portion of that would have been land-based—

Mr. Clifford Small: Yes, close to 100% of it would have been processed.

Mr. Carey Bonnell: I don't know the number offhand. It would be a large percentage.

Mr. Clifford Small: Going forward, what are OCI's plans for the processing of its quotas in its plants in Bonavista, Triton and whatnot? If Icewater is processing in Arnold's Cove, what are your plans for Triton and Bonavista if you were to receive further increases from this?

Mr. Carey Bonnell: That's a fair question.

Bonavista and Triton are kept quite busy, as you know, with the snow crab fishery and some other fisheries. We've provided very meaningful employment to 500 or 600 people, probably, in those two operations combined alone.

Our commitment this year is this: Everything we fish in the offshore will go to Icewater Seafoods, reducing or eliminating their reliance on importing frozen-at-sea cod from elsewhere. We've indicated publicly—as I'll indicate here—that, as the quota grows, we will look at opportunities to further process cod in our facilities as well, of course.

Mr. Clifford Small: I have one more quick question.

Could the offshore fleet not have been given an experimental research quota under the auspices of a stewardship fishery, so the fishery could remain a stewardship fishery, with the offshore receiving a portion to supplement DFO's failed trial surveys?

Mr. Carey Bonnell: I have two points on that.

I think—

The Chair: The time is up. The six minutes for Mr. Small have expired.

Mr. Bonnell, if you have an answer to that question, send it to the committee in writing. If you have another opportunity to answer it later on, that's fine.

Mr. Carey Bonnell: That's no problem.

The Chair: We'll now go to Mr. Kelloway for six minutes or less.

Mr. Mike Kelloway (Cape Breton—Canso, Lib.): Thanks, Mr. Chair.

Hello to the witnesses.

Perhaps you can finish off your answer to Mr. Small's question. Then I'll have my set of questions for you.

Mr. Carey Bonnell: I'm sorry. What was the question again, Mr. Small? Can you repeat that for one second?

Mr. Clifford Small: Thank you.

Mr. Bonnell, my question was this: Could the offshore fleet have been given an allocation—under the auspices of a stewardship fishery—that would be a scientific, experimental quota to supplement the trial survey and have the fishery remain as a stewardship fishery versus going commercial?

Mr. Carey Bonnell: This stock is now a stock in the cautious zone, within the precautionary approach framework. In every other example of fisheries in Atlantic Canada that I'm aware of—maybe in Canada as a whole—what's in the cautious zone is considered a commercial fishery. It's the second-largest biomass in Atlantic Canada and the third-largest cod stock in the world. For those reasons, I think it would be a commercial fishery.

Could it happen? I suppose, technically, it could, but the probability of it happening is very low, based on history and other practices.

Generally, a fishery in the cautious zone is a commercial fishery.

Mr. Mike Kelloway: Thanks for that.

How do trawling practices over the last 40 years—the seventies, eighties and nineties—differ specifically from today's?

Mr. Carey Bonnell: There are a number of things.

The volume fished, obviously, has changed massively. Pre-moratorium on northern cod, we were at over 100,000 metric tons, probably, harvested at times by the offshore sector. A sizable portion was harvested by the inshore sector as well.

The number of vessels used today.... We have two offshore groundfish boats in our fleet. The management measures in place today are nothing like they were a generation ago. We have 100% observer coverage, independent of coverage on our boat. We have dockside monitoring. We have daily hail requirements. Our vessels are monitored. When we land, we're inspected. We welcome those sorts of measures as well. There are marine-protected areas for sensitive habitat today that weren't in place pre-moratorium. We fish about 2%. In Atlantic Canada, we come into contact with about 2% of the marine environment. In a lot of our key fisheries, like redfish and yellowtail flounder, we come into contact with less than 1%.

These are sandy- and rocky-bottom environments. People have this image that we're out fishing in coral or pristine environments. That's not the case. Look to Iceland—I come back to Iceland on a regular basis. They take well over 100,000 metric tons every year using the same kind of technology we do, and they've had a sustainable fishery for a generation. It works because they have good management measures. They have good structures. They have protections and closures.

Some of the measures that have been adopted here.... Through NAFO and domestically—Mr. Burns spoke about this—we now have a 10-week spatial closure that will run from mid-April through to the end of June. That's in place. We have a minimum fish size of 43 centimetres, which is two centimetres larger than the European standard. We have a mesh size on our trawl. It's a 155-millimetre diamond mesh. I think the standard in Europe is 130 millimetres.

Where we are today.... Virtually none of those measures were in place pre-moratorium. It is a different ball game altogether, in terms of how we look at trawl-based fisheries today.

● (1125)

Mr. Mike Kelloway: Thank you for that.

I think that's a key item that was brought up. So far, in terms of the offshore picture.... As you put it, there's a perception that the offshore vessels are going out on the water and it's the 1970s and 1980s again. What you're saying is that, through and through, practices have changed. Technology has changed. Due diligence has changed.

I want to go to the economic benefits of the cod fishery as it relates to offshore. This is for all three of you.

What are the economic benefits, such as supply chain, people employed on vessels and in processing plants, and things of that nature? When you talk about a fair and balanced approach.... I'm wondering if you can get to some actual numbers you might have—or projected numbers you will have—for the cod fishery as it relates to the offshore fishery.

Mr. Alberto Wareham: Thank you, Mr. Chair.

I'll start with the processing side. Last year at Icewater in Arnold's Cove, we worked 26 full weeks on two shifts or the equivalent of 52 weeks a year, which is the most employment provided for a plant in Newfoundland that focuses on producing wet fish or frozen-at-sea raw material. Fifty per cent of that was locally caught inshore cod, and 50% was frozen-at-sea imported from Norway.

This year, our goal is to not import any from Norway with the quota given to the offshore and to the indigenous aboriginal groups in Labrador, so that we would produce as much local cod as we can.

What's so key about frozen-at-sea...and from what I heard at the first hearing, I think people didn't quite understand it. OCI catches the fish, and they produce it frozen-at-sea. They bring it in, and then we can decide when we produce it. That allows us to work 26 or more weeks this year. We should have more employment in Arnold's Cove with the frozen-at-sea raw material.

In the inshore season, you have to buy it when it's being landed. If you don't buy it, it goes somewhere else. As was said, the majority of the inshore landing was caught in seven weeks. There is still some quota uncaught in the inshore. We're trying to get it caught right now. There were 150 tonnes. The fishery was reopened twice since the September 27 initial closure. We're still catching cod in 3K and 3L today. The 2J part for Labrador was closed. The allocation was taken up there, but it's still open in 3K and 3L.

Mr. Mike Kelloway: Right.

In terms of employment, Mr. Wareham, Ms. Lapointe and Mr. Bonnell, the actual number in terms of Newfoundlanders working, I think, is a key thing to highlight because, at the end of the day, this is about Newfoundland and Labrador, an iconic species and a gateway to economic development.

What numbers of actual people are we dealing with who will be employed as a result of the change in question?

Mr. Alberto Wareham: In Arnold's Cove right now, this year, we have 250 people working and 230 of them are local. They're all within an hour's radius. We have 25 or so who are temporary foreign workers, and this year is the first time we've ever had to do that, which we did. Payroll last year was $7 million, and this year it will be higher than that with our input of inshore cod.

It is significant for a community of 1,000 people. We've been the largest employer in the town since 1979, the largest taxpayer in the town since 1979 and the largest producer of inshore cod since the cod fishery started to reopen in Newfoundland in 2006.

The Chair: Thank you, Mr. Kelloway. That was a little bit over.

We'll now go to Madame Desbiens for six minutes or less, please.

[*Translation*]

Mrs. Caroline Desbiens (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, BQ): Thank you, Mr. Chair.

I want to thank the witnesses for being here.

I know that everyone agrees with the reopening of the cod fishery. It was long-awaited, particularly for the fisheries economy.

As processors and associations, were you prepared for the reopening of the northern black cod fishery? If so, had you been preparing for it for a long time?

[*English*]

Mr. Carey Bonnell: I can start and maybe turn things over to Alberto.

Yes, as I indicated in my opening comments, we invested in a new $60-million vessel, the MV *Calvert* , with 80 crew members basically on a two-shift basis on this vessel for groundfish, including cod. We fish yellowtail flounder a portion of the year and redfish a portion of the year. However, it was envisioned to be a vessel that would be available in a reopened cod fishery as well.

That vessel is being prepared now. We're putting a small investment in the factory of the vessel, but it's being prepared to fish cod later this fall and through the winter. Yes, certainly we've been preparing and we're certainly prepared for it. There will be significant employment generated as a result on the harvesting side.

You may wish to speak to the processing side.

● (1130)

Mr. Alberto Wareham: Yes, I would just add that in Arnold's Cove, as I said in my opening remarks, we've been preparing since 1992 for this moment to come back. We spent $14 million between 2018 and 2020 to give us the latest state-of-the-art equipment so that we can compete with the best in the world, which we do.

[*Translation*]

Mrs. Caroline Desbiens: Thank you for your response.

So you were anticipating the opening of the cod fishery. Did you see an improvement in biomass or did you have other information?

[*English*]

Mr. Carey Bonnell: I can speak.

The information we would have had on cod was the information that was presented in the fall survey from last year, obviously, and that the stock has moved from the critical zone to the cautious zone of the precautionary approach framework. We've been monitoring the stock for the last many years, and we've seen some encouraging signs, obviously.

However, we follow the best available science, so no, we weren't preparing to go fishing a couple of years ago with stock in the critical zone necessarily. However, with the change now to the cautious zone, the PA framework and a very cautious harvest rate of 5%, we're excited about the opportunity ahead of us this year, and we're hopeful for a continuation and continued improvement of the resource in the years to come.

[*Translation*]

Mrs. Caroline Desbiens: I also heard you say earlier that fishing changed only a small part of the biomass, compared to climate change and all the other known predators.

Do you think that the biomass will continue to improve anyway, or are you fishing out of spite, figuring that, in any case, climate change and predators will change the biomass more than you will? Is that why you forge ahead with fishing?

[*English*]

Mr. Carey Bonnell: The good thing about northern cod and some of our other fisheries is that we have an annual survey completed on the stock.

One of the things that hasn't been covered in the hearings here that we've talked about a lot in the advisory process is that last year's survey was conducted about a month earlier than normal. The general feeling amongst DFO scientists, industry and those around the table is that the actual biomass is in all likelihood larger than was picked up in the survey this past year because it went out much earlier than the normal time series, and the fish migrate in the fall. They migrate offshore a little later in the year.

We are hopeful that with the survey that's ongoing this fall, we'll get a really good, true picture of the state of the resource. We are of the view that the resource is probably stronger than indicated, but we also saw some really strong indicators in the survey, as Ms. Lapointe touched on in her opening comments, related to recruitment and other things.

[*Translation*]

Mrs. Caroline Desbiens: Sorry to interrupt. I don't have much time. I have two minutes left.

You represent the offshore fishery. You know the history of cod, like everyone else. You know that offshore boats use relatively aggressive fishing techniques for biomass. You said that you improved the technology.

What steps can be taken to improve the technology used by offshore boats that fish on a massive scale? Are there any new technologies that we don't know about?

[*English*]

Mr. Carey Bonnell: Yes, there are a whole host of new technologies, but what I will say is that, in the past, the major issue was overfishing. In both foreign and domestic, inshore and offshore, we had significant overfishing. As I mentioned, we had exploitation rates in excess of 50% leading up to the moratorium. We're talking about a fishery today with an exploitation rate of 5% with management conservation measures that are far more advanced than they ever were in the past.

We'll stand behind mobile gear fishing within Canada and globally as a responsible, sustainable form of food production. All forms of production.... We could spend a session here talking about the pros and cons of gillnets, which have lot of negative connotations as well but, if done right, can be managed correctly. It's the same with trawl-based fishing. The technology, the techniques, the approach and the management measures are far greater today than they ever were in the past, and I'd stand by that.

[*Translation*]

Mrs. Caroline Desbiens: Thank you.

I have just 30 seconds left.

Ms. Lapointe, have you seen things improve recently? Rather, have you seen the cod biomass improving for some time?

● (1135)

Ms. Sylvie Lapointe: Thank you for your question.

I would say that, when we look at the data, we really see an increase in recruitment, in biomass, since 2020. In addition, the assessment carried out by Fisheries and Oceans Canada in the fall, a year ago, to change the limit reference point with the new data that it incorporated into its analysis, showed that the stock status has now been in the cautious zone since 2016.

As Mr. Bonnell said, every year, we keep track of the department's scientific analyses and assessments of this fishery.

[*English*]

The Chair: Thank you.

We'll now go to Ms. Barron for six minutes or less, please.

Ms. Lisa Marie Barron (Nanaimo—Ladysmith, NDP): Thank you, Chair.

Thank you to the witnesses for being here today.

As we're going through the lines of questions today, I'm finding myself constantly going back and reflecting on what is at the core of what we're talking about today. I'm writing down over and over again the fact that we're looking at the economic well-being of Newfoundlanders and Labradorians and, of course, the sustainability of the cod stocks to ensure that we have a fishery that's there not just for today but for generations to come. I think that, from what I'm hearing, there are some core values that we all have here today, which is good to hear. As we are discussing this today, there is some contradictory information that's coming forward, so I'm trying to understand the different perspectives on this.

My first question is for Mr. Bonnell.

You mentioned that, in your words, “No such historical policy commitment exists.” This isn't the root of the bigger issue I want to get at, but I do want to get some clarification around that, because my understanding—and perhaps you can correct me if I'm wrong—is that this has been referenced dozens of times, most recently in the 2021 management plan for the 2J3KL groundfish.

Can you clarify that comment for me, please?

Mr. Carey Bonnell: Sure. When I say historical public policy, the FFAW have talked about this 40-year commitment that exists. We just went through a judicial process that some of you are familiar with. Under cross-examination, a FFAW employee, Courtney Glode, could not point to the exclusivity clause in the 1979 Corner Brook conference, the 1982 Kirby task force report or the 2004 policy framework. There's no reference to exclusivity, but there is to priority. We all acknowledge that, and we support priority.

The first appearance really turned up in 2015 in terms of the Liberal Party platform commitment or the letter, I should say, from Anna Gainey with the Liberal Party of Canada in 2015, talking about reaffirming a past commitment. Well, there was no past commitment. It didn't exist.

It did show up in 2021. Minister Jordan did indicate it in 2021 in the integrated fisheries management plan. Upon conversation with her on the topic, it was simply put in there to live up to a past political commitment and wasn't really informed by past public policy. The trail of this goes back to 2015 and a letter that really wasn't accurate with respect to past historical public policy. That's the context, I guess, around the historical component of this. There is no 40-year history around this.

Ms. Lisa Marie Barron: Thank you.

You referenced the priority being given as something that was agreed upon. Do you feel that the priority was given in the way that the commitment was laid out to ensure indigenous people...?

Mr. Carey Bonnell: We have two things on that. One is that our position continues to be that, as the stock grows and rebuilds, we would work back towards the one-third commitment to the offshore sector. However, at a lower level, where we are, we're comfortable with coming in at a lower level and working our way up over time, consistent with past public policy and consistent with a lot of the points we've covered on the importance of a balanced fishery.

Yes, we have certainly been supportive of indigenous reconciliation and the role of indigenous groups in Labrador, in particular in a reopened northern cod fishery.

Ms. Lisa Marie Barron: Thank you.

I will continue through the chair with you, Mr. Bonnell.

Another thing you spoke about was the fact that you thought there was more stock than was being seen. One thing that I found interesting was that Dr. Rose talked about the fact that the science was changed, that the science was being rewritten. I also heard from others that the amount of stock has not increased. It was just our way of determining the science, and it moved the stock into the cautious zone as a result.

You also referenced, in the question from my colleague Madame Desbiens, the fact that it didn't sound like there was any anticipation that this fishery would be resuming based on what you were seeing. Perhaps that's just me reading into what you were saying.

I'm wondering what your thoughts are on the fact that the stocks haven't changed; the science did. What do we do with that to make sure we manage this stock in a cautious way to make sure it's there for generations to come?

● (1140)

Mr. Carey Bonnell: We've been of the view that the limit reference point on northern cod stock has been too high for a long time, particularly with the changing environments since pre-moratorium days and compared to limit reference points for stocks in other fisheries. We've held that position for a long time.

The October assessment that took place was done completely independently of us. It was a science-based process. I didn't participate in that process. We had some people within the Atlantic Groundfish Council who participated in the process, but based on the new information that was presented, the assessment model changed.

I will continue to point to the fact that, in this particular fishery today, we have an exploitation rate of 5%. If you talk to prominent fishery scientists—we deal with people like Dr. Ray Hilborn—they talk about total fishing removals, and if you talk about modern fisheries management globally, it's about managing removals. You would be hard pressed to find anybody to say that a 5% exploitation rate on cod is overly aggressive compared to Iceland at well over 20%. Norway is probably 30%-plus right now. Looking at our pre-moratorium record, which wasn't a pretty picture, it was over 50% in the years leading up to the moratorium.

I'll come back to that key point that we are taking a conservation approach with respect to this stock.

The Chair: Thank you, Ms. Barron.

We will now go to Mr. Arnold for five minutes or less, please.

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

I think I want to continue somewhat along the lines of where Ms. Barron was going here with the exploitation rates and so on.

You indicated, Mr. Bonnell, I believe, and Mr. Wareham, that there were indications that the stocks were returning.

Mr. Wareham, you indicated $14 million in plant upgrades in anticipation, yet until there was a change in the modelling—a change in modelling, not a change in the number of fish—there would be no great growth in the season. It was still to be not a sentinel fishery, but not a commercial fishery.

Can you connect those dots for me, the investment that was being made and the belief that the cod stocks were improving, yet the department had no indication of that until they changed the modelling?

Mr. Alberto Wareham: We didn't know, as was said. We found out retrospectively from DFO science that the stock was in the cautious zone since 2016, which we didn't know until March 2024. When we made the investment, the stock was already in the cautious zone, which we didn't know about.

We are all, I think, mostly aware.... We've talked about climate change and ecosystem changes. When the science reference point, I guess we'll say, was the early eighties, putting in data that was readily available back to 1954 on three key components gave a better understanding of the stock, which then changed the limit reference point and the outlook of the stock. Although we didn't know when it would happen, we all expected that there would be a return to a commercial cod fishery.

Mr. Mel Arnold: Okay. Thank you.

Mr. Bonnell, I'll go back to you.

At this committee, we often hear from organizations that are competing for the last little bit of a share of a stock, a fishery or a harvest. Why are we not hearing more about the recovery of stocks so that there is adequate harvest for everyone to be commercially viable and to be sustainable for first nations' food, social and ceremonial? Why are we not seeing that? Why didn't we see that with the cod stock? What was holding back the recovery of the stock?

Mr. Carey Bonnell: Are you referring to pre-moratorium or currently, or on northern cod specifically? I'm just trying to understand.

Mr. Mel Arnold: I'm referring to post-moratorium. Why did it take, I believe, 32 years for this stock to begin to recover?

Mr. Carey Bonnell: Well, I think, historically, a significant amount of damage was done to the stock, obviously, with the significant overfishing, as I said—foreign, domestic, inshore and offshore. The fishery was not managed well before the moratorium period. It went down to a very low level. Environmental conditions at the time did not help either, so it was a combination of factors.

● (1145)

Mr. Mel Arnold: What has happened since? Why didn't it recover?

You talk about how Iceland harvests 100,000 tonnes annually and sustainably, it seems. What is different with Iceland's management versus Canada's management?

Mr. Carey Bonnell: Iceland's stock didn't go to a collapsed level—to my recollection, at least—to the status that our stock went. We went to a collapsed level, and it's taken time to get back.

Mr. Mel Arnold: What is different about the management? You're in the business big time. What's the difference?

Mr. Carey Bonnell: In management today, there's really no difference between us and Iceland. We have similar management measures in place—some of the things I took you through a short while ago.

Historically, we had poor management measures before the moratorium. I don't think anybody would dispute that, and there have been a lot of books written on that particular topic.

Mr. Mel Arnold: Was it just the fishery that was managed poorly, or was it the entire ecosystem process with predation and natural mortality?

Mr. Carey Bonnell: Pre-moratorium, there really wasn't much of a focus on the ecosystem-based model.

Mr. Mel Arnold: No, I'm talking post-moratorium, in the last 30 years.

Mr. Carey Bonnell: With regard to today, I think.... Listen, we all monitor ecosystem indicators. We have all kinds of technology in our boats to monitor things. We're in a changing environment. I think the best thing we can do to manage fisheries today is to have good, robust stock assessments to ensure that we have annual surveys that are giving us a good indication of the state of the stock. We need to look at ecosystem indicators as part of that, of course.

Mr. Mel Arnold: Are you referring to just the cod stocks or also to prey stocks?

Mr. Carey Bonnell: More broadly, yes. Just in general, I think, absolutely.

Mr. Mel Arnold: Is that a difference between Canada and Iceland?

Mr. Carey Bonnell: Where we are today.... I think we've come off of a couple of tough years on the multispecies surveys out our way, but we seem to be back on track right now. As long as we have good, robust surveys happening on an annual basis with good analytical capacity to interpret that data, I think we can stand up with any country in terms of our standards.

Mr. Mel Arnold: Thank you.

The Chair: Thank you, Mr. Arnold.

We'll now go to Mr. Morrissey to end off.

You have five minutes or less, please.

Mr. Robert Morrissey (Egmont, Lib.): Thank you, Mr. Chair.

My question is for Mr. Bonnell.

Could you outline to the committee the importance of having NAFO as part of the decision-making agreement process, going forward, as it relates to the cod fishery and the importance of managing that resource in Newfoundland and off Newfoundland?

Mr. Carey Bonnell: I'm certainly not here to do the bidding of NAFO for them. I'd like nothing better today than to have the NAFO-related quotas be repatriated to Canada and to have us be able to fish them. However, we're a country of rules, laws and international agreements. Those exist, and we have to abide by them.

I've been participating in NAFO meetings for the last six or seven years that I've been with Ocean Choice International. I wasn't part of the historical side of this; I went to one meeting in the early 2000s. I think what I will say is that NAFO is managed much better today, obviously, than it was a generation ago, and there are a lot of measures in place as deterrents today that weren't in place a long time ago.

Mr. Robert Morrissey: Is it fair to say that this will lead to better management of the fishery on Canada's controlled east coast?

Mr. Carey Bonnell: Yes, it's fair to say that there is better management today, certainly, than in the period leading up to and during the moratorium years.

Mr. Robert Morrissey: Could you expand a bit on that?

I didn't realize it's 5%. For those who may not be totally familiar with this, the catch rate you're exploiting is 5% of the biomass.

Mr. Carey Bonnell: Are you referring to the NAFO component here or the exploitation rates?

Mr. Robert Morrissey: It's the exploitation rates. You made a reference to 5%.

Mr. Carey Bonnell: Yes, it's 5% of the spawning stock biomass, basically.

Mr. Robert Morrissey: That's what you're harvesting.

Mr. Carey Bonnell: That's the harvest rate, which is a very conservative harvest rate by any standard or metric.

Mr. Robert Morrissey: I agree with you, and I'm pleased to see that we're managing, in this particular prudent manner, to grow the fishery, going forward.

The public sometimes confuses inshore and offshore—with offshore being foreign—but both Mr. Warren and Mr. Bonnell referenced both identities.

Are you family-owned out of Newfoundland?

Mr. Carey Bonnell: There was a comment, I think, at one of the hearings about our having non-Canadian, foreign workers offshore. We are 100% Canadian-owned, Newfoundland and Labrador-based businesses. One of the businesses that's not here today is indigenous. The Labrador Innu purchased the Harbour Grace Shrimp Company. We employ Newfoundlanders and Labradorians. Our vessel is exclusively employed by Canadians who are almost exclusively Newfoundlanders and Labradorians. They live in the same communities as inshore fishermen. In some cases, they're family members of inshore fishermen.

That is an important point and needs to be clarified. We are very much Newfoundland and Labrador-based. We're not publicly traded companies, which somebody in a previous hearing alluded to. We're family-run businesses.

Alberto, you can speak about that as well, if you wish.

● (1150)

Mr. Alberto Wareham: Icewater is a family-owned business as well. I'm the seventh generation of my family in the cod business in Placentia Bay. My son came in five years ago as the eighth.

Mr. Robert Morrissey: There have been seven generations of your family in Newfoundland.

Mr. Alberto Wareham: In Placentia Bay, in cod....

Mr. Robert Morrissey: Mr. Wareham, you referenced your Arnold's Cove plant in relation to managing your resources 12 months of the year. If you have to supply the market, you depend on an offshore quota to do that. Am I correct in that assumption?

Mr. Alberto Wareham: Yes.

Mr. Robert Morrissey: Okay. Does managing supply to the plant have an impact on providing predictable employment on a year-round basis? I believe you touched on that briefly.

Mr. Alberto Wareham: That's where frozen-at-sea raw material comes in. This year, as I said, we hope it will all be—

Mr. Robert Morrissey: Can it not be done by an exclusively inshore fishery?

Mr. Alberto Wareham: No. The cod migrate to the inshore in late June or early July. They start going back to the offshore in late September or October.

Mr. Robert Morrissey: How would both of you react to this comment?

The government has “completely and utterly failed our province [of Newfoundland] and the recovery of the great Northern cod stock” with the decision made this summer.

Mr. Alberto Wareham: In my opening comments, I talked about the importance of that decision for Arnold's Cove, the markets we have and our employees.

Mr. Robert Morrissey: Was it a good decision as it relates to your plant?

Mr. Alberto Wareham: Yes.

Mr. Robert Morrissey: Therefore, you would not agree with it.

Mr. Bonnell.

Mr. Carey Bonnell: Every pound of this quota is going to be harvested, processed and marketed by Newfoundland and Labrador entities—inshore, indigenous and offshore. It's every pound. That's an important point.

Mr. Robert Morrissey: Therefore, this motion we're studying is false.

Mr. Carey Bonnell: I'm just giving you the facts on where we are and about our businesses. I want to make that clear.

Mr. Robert Morrissey: Thank you. It's because you're speaking for Newfoundlanders.

The Chair: Thank you, Mr. Morrissey.

That expires our first panel.

I want to say thank you to Mr. Bonnell, Ms. Lapointe and Mr. Wareham for sharing their knowledge of the cod fishery with us here today.

We'll suspend for a few moments as we switch over to the next panel.

● (1150)

(Pause)

● (1155)

The Chair: We're back.

I'll welcome our witnesses for the second panel. We have Lyne Morissette, doctor of marine ecology and fisheries and marine mammal specialist, M-Expertise Marine Incorporated. We also have David Vardy, economist.

Thank you for taking the time to appear today. You will each have five minutes or less for your opening statement.

Ms. Morissette, you have the floor.

[*Translation*]

Dr. Lyne Morissette (Doctor of Marine Ecology, Fisheries and Marine Mammal Specialist, M-Expertise Marine Inc., As an Individual): Thank you. My name is Lyne Morissette. As you said, I'm a marine biologist. I'm also the author of a book entitled *Pêcheurs et Baleines en Gaspésie : sur le chemin de la coexistence*, or “fishers and whales in the Gaspé Peninsula: on the road to coexistence”. Thank you for the opportunity to share my experience with you today.

I've taken the time to carefully read the brief on the reopening of cod fishing. While I'll leave it to the experts to discuss quotas and the technical aspects of fishing, my goal today is to talk about the approach. Beyond the numbers, we need to find the best recipe for effectively protecting our marine ecosystems and the resources that they contain. In the era of climate urgency and biodiversity collapse, we don't have the luxury of overlooking anyone's knowledge. We must integrate fishers and indigenous communities into the heart of the decision-making processes in both Newfoundland and Labrador and across all Canadian fisheries.

What struck me most in this brief is the need to actively involve indigenous and non-indigenous fishers in resource management. They're the experts on the ground. They observe changes in stocks, currents and reproductive cycles. These key elements often escape theoretical models. Their knowledge is invaluable. Without their participation, we lose our bearings.

I've had the opportunity to see the same challenges in other places—particularly among crab and lobster fishers—in the Gulf of St. Lawrence, where we're working on the North Atlantic right whale situation. In this case too, the lack of dialogue, co-operation and especially trust between fishers and decision-makers has often adversely affected resource management, a crucial factor in the survival of this endangered species.

Over the years, I've come to understand that these fishers aren't opposed to resource conservation. On the contrary, they're the first to want to protect the resource that sustains them. However, they must be heard, respected and included in the process. Too often, decisions are made without involving them and their valuable knowledge. This creates mistrust and unnecessary tension. It isn't just an advantage to work with fishers. It's a necessity. Their local knowledge, based on generations of experience, provides invaluable insight into the dynamics of our fish stocks.

This was confirmed in the case of cod. The fishers themselves sounded the alarm on the stock collapse. Unfortunately, these warnings were ignored by the scientific authorities at the time, which led to the current situation. Today, we also have the opportunity to correct this mistake. The cod stock may be recovering. However, the resource can't be managed properly without the active involvement of fishers. This means that they shouldn't be seen as mere passive participants. Instead, they must be considered co-managers of the resource. They're on the ground every day, observing changes in ecosystems. They can sound the alarm on anomalies or on anything going wrong. They often do so before science can.

We've seen this time and again. When fishers aren't consulted, mistrust builds and conflicts arise. This happens in Newfoundland and Labrador, New Brunswick and other parts of Canada. Fortunately, we have a recipe called environmental mediation. It's more than just co-management. This rarely used method helps to foster a real and constructive dialogue among all stakeholders—in this case, fishers and managers—so that they can find solutions together. It works. There are examples in Alaska, the Philippines and Australia. It works really well everywhere.

Inshore fishers aren't asking to exploit a declining resource. They understand that their future is tied to the health of ecosystems. They want to be heard and included in decisions. The best way to restore a stock such as cod is to work together. The pill is always easier to swallow when fishers play an integral role in the process. Without their support, any initiative—such as fishing zone closures or quotas—will be doomed to fail. In this time of successive crises, we can't afford to repeat the mistakes of the past. The knowledge of indigenous and non-indigenous fishers is a precious resource that we must integrate into ocean management.

Thank you for giving me the opportunity to share these thoughts with you. I hope that this discussion will mark a turning point—I truly believe so—in the management of our marine resources and that emphasis will be placed on the systematic integration of inshore fishers' knowledge into decision-making processes.

● (1200)

By working together, we'll ensure the sustainable future of our oceans, fisheries and coastal communities.

Thank you for listening.

[*English*]

The Chair: Thank you for that.

Now we'll go to Mr. Vardy for five minutes or less, please.

Mr. David Vardy (Economist, As an Individual): Thank you, Mr. Chairman.

Thank you for the invitation to present here today to your committee on this very important topic.

My name is David Vardy. I'm an economist by training, and I spent most of my career as a senior executive in government. I served as president of the Fisheries and Marine Institute of Memorial University of Newfoundland and Labrador, and as secretary to the cabinet of the Government of Newfoundland and Labrador. I was a member of the negotiating team that negotiated the 1985 Atlantic accord, which established joint management of our oil and gas resources. I was also the deputy minister of fisheries on July 2, 1992, the day that the Honourable John Crosbie announced the northern cod moratorium.

I'm here today representing myself only. I'm a private citizen. On July 5, I wrote a letter to all MPs serving the province, asking that the decision announced by the Minister of Fisheries and Oceans on June 26 concerning the reopening of the northern cod fishery be reversed. In my opinion, the risks of reopening were too high, and the stakes were so enormous as to demand a full-scale public consultation process before such a momentous decision was taken. Unfortunately, it's now too late to reverse the decision for 2024; the fish have swum.

The essence of good public policy is the exercise of wisdom in balancing decisions between competing objectives. In fisheries management, conservation and sustainability must often compete with employment objectives, and prudence dictates that conservation must be the main priority. Sound public policy demands that we mobilize knowledge and experience and that we bring them together through shared management. Sound public policy decisions should be forged using the best governance model we can devise, one which shares information publicly and includes all stakeholders.

In reaching her momentous but flawed decision in June, the minister assigned greater priority to year-round jobs than to conservation. Sound fisheries management demands that sustainability and conservation must instead be the overriding priorities. In my letter of July 5, I pointed out that many experts recommended a completely different approach to management, one which integrates the decision-making powers of the federal and the provincial governments. Such a shared management process would harmonize decisions to balance conflicting policy objectives. Such joint management would also provide for a more transparent process by placing all the evidence in the public eye.

Independent science is essential if shared management is to succeed. Fishery science must become more independent of political influence, as was the case in Newfoundland with the old Newfoundland Fisheries Research Board, which began its work under a commission of government and which continued for years after Confederation. Iceland has long and successfully relied upon an independent fisheries research organization, as has Norway.

I am asking that your committee recommend that the quota and allocations for 2025 be capped at the 2024 levels or lower and that the Government of Canada join with the Government of Newfoundland and Labrador in appointing a joint royal commission into the future of the fishery. The royal commission should be given a broad mandate to advise on how the fishery, including northern cod, should be managed. The commission should review the scientific evidence and seek consensus on how the fishery should be managed. It would include advice on how to best control foreign overfishing. It would include advice on gear technology, on seal predation and on how spawning concentrations should be avoided.

In summary, I offer the following recommendations.

In the preparation for a management plan for 2025 for northern cod, the minister should cap the 2025 quota and the allocations at the 2024 levels or less. Canada should give the highest priority to the conservation, sustainability and rebuilding of depleted fish stocks as overriding public policy objectives. Failure to prioritize conservation will destroy, not create, long-term employment opportunities. Governments and stakeholders should embrace shared management of the fishery, beginning with a joint federal-provincial royal commission into the future management of the fishery, including northern cod and other straddling fish stocks. The Government of Newfoundland and Labrador should be invited to appoint one of these commissioners.

I thank you for the opportunity to make this presentation today. I look forward to answering your questions.

Thank you very much.

● (1205)

The Chair: Thank you, Mr. Vardy.

We'll now go to our rounds of questioning. We'll start with Mr. Small for six minutes or less, please.

Mr. Clifford Small: Thank you, Mr. Chair.

I'd like to thank the witnesses for being here today. My first question will be for Mr. Vardy.

In 1992, Mr. Vardy, I was an inshore fisherman, and I remember the day that the announcement was made. I walked out on the wharf in Wild Cove to see the looks on the faces of my dad and his brother, Uncle Mark, who you probably knew well back in the day. However, court documents recently showed that the government made the decision to reopen the commercial northern cod fishery because it would yield political gain.

You've been a deputy minister several times in your career. Do you believe that this decision was made for political gain, based on your knowledge of the bureaucracy and government and how they interact?

Mr. David Vardy: My view is that politics and fisheries don't mix very well, and there's a need for a separation of politics from fisheries. That's exactly the purpose of a joint management board, to try to take the politics out of it, because there are so many occasions that are beyond counting as to how many decisions were taken that were injurious to the stocks, and perhaps even injurious to the politics as well at the same time.

With the offshore petroleum board, we have a good example of a joint management process that seems to have worked extremely well, where the two governments, the provincial government and the federal government, have worked together and the politics have, in fact, been largely taken out of it. I think it's been to the benefit of the Government of Canada and the Government of Newfoundland and Labrador—and all Canadians.

Mr. Clifford Small: Getting back to the decision to convert the stewardship fishery to a commercial fishery, do you think that the northern cod fishery could have continued as a stewardship fishery with modest increases in quota without NAFO seriously knocking on the door to get access? We have minutes of NAFO meetings for the last five years, and there was, in fact, very little mention of northern cod in the minutes of the NAFO meetings.

Do you think there was a serious risk that NAFO would come for a few tonnes of northern cod, with the quota in the stewardship fishery being about where the commercial fishery is now? Do you think that was a real threat?

Mr. David Vardy: I think this is a very murky area in international law. I've read the United Nations Convention on the Law of the Sea on this issue, and there is a principle at stake here with regard to any uncaught fish that should be opened up to other stakeholders.

This is a stock that's managed by Canada. Unlike other straddling stocks, this is one that's managed by Canada, and it's one where I think that Canada could have continued on with the stewardship fishery. However, once we get into raising the quota above a certain level, it seems to me that it becomes a commercial fishery.

I've not seen anything in the NAFO convention that actually creates a trigger, an actual trigger point as to what constitutes a litmus test for transition from a stewardship to a commercial fishery, but it does seem to me that, when you move beyond where we were in 2023, we're inviting questions to be raised at NAFO. As to whether there were pressures from NAFO, I don't really know.

● (1210)

Mr. Clifford Small: Do you think that maybe the government should have pushed the envelope here with a modest increase, because the exploitation rate is extremely low as compared to acceptable exploitation rates in the North Atlantic, which are typically around 20% in cod stocks. We're down around 5% or 6% here. Do you think that the government should have pushed the envelope and worried about NAFO when the time came?

It appeared the other day when we questioned assistant deputy Burns that it had been a foregone conclusion by the minister that NAFO was coming for their share, without it hardly even being discussed at the NAFO meetings based on the minutes, Mr. Vardy.

Mr. David Vardy: I think there's a compelling case for not pushing the envelope. My sense is that the stock has been in a stalled situation, that it's been flatlining since 2016, so I think it was risky. Whether NAFO was on the table or not on the table, I still think that, from a precautionary standpoint, it was going too far, pushing the envelope to do that, particularly in light of the fact that there was a high probability that the stock was going to decline with or without an increase in fishing pressure.

I think NAFO adds to the complexity of this whole issue, and I think that the other thing in terms of NAFO is that, when you open up the whole door on NAFO, it raises other considerations because I think there's a bit of an illusion that we can control—

Mr. Clifford Small: Thank you, Mr. Vardy. You could add more on that in writing.

The lower reference point was moved in the fall of last year. It's been said around Parliament Hill that there was a heavy lobby by the offshore fleet before that happened. Do you think the lower reference point could have been moved as part of a plan that took place way back last fall to reopen this fishery as a northern cod fishery? Do you think the moving of that lower reference point was part of this political plan?

The Chair: Mr. Vardy, perhaps you could give us that in writing, with the remainder of the answer to the previous question, because the time is up for Mr. Small.

We'll now go to Mr. Hardie for six minutes or less, please.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, Mr. Chair.

Thank you to our witnesses.

I'll start with you, Ms. Morissette. You mentioned the Alaska fishery. There's something positionally unique about the Alaska fishery when it comes to Pacific salmon. They get first crack at the fish coming back to spawn. The circulation of the fish is basically clockwise, and it comes down to Alaska. The Canadian fishers are kind of left with whatever is left over.

Is the Alaska fishery a good model to look at when we're considering northern cod?

[*Translation*]

Dr. Lyne Morissette: The Alaska model is a good example of co-operation between management authorities and indigenous communities.

This has helped to implement more ecosystem-friendly fishing practices. Alaska's approach is noteworthy for showing that inclusive management is both possible and also the key to resilient fisheries in coastal communities.

I know that the management authorities work closely with indigenous communities to try to understand the ecosystems on a scientific level through the implementation of measures. It also tries to do so in other ways, in particular by drawing on knowledge that remains less common in the eyes of the scientific community, but that holds considerable value.

This is one example where a different management style works well for certain species—

● (1215)

[*English*]

Mr. Ken Hardie: Thank you, Madame Morissette. I must move on, because I have further questions.

Mr. Vardy, I'm not as familiar, obviously, with northern cod as I might be with salmon stocks. I'm a west coaster. Do the fish we don't catch in Canada end up in nets in Iceland?

Mr. David Vardy: Historically, of course, the amount of foreign fishing in our waters was extremely high. I appreciate that NAFO has been more successful in recent years, but the danger is that, once there's a bigger presence offshore, there would be more pressure on the resource and more likelihood of offending.

I remember in Newfoundland and Labrador, the year before the northern cod fishery.... I was also the deputy minister when we declared a moratorium on salmon fishing. In fact, I remember that at the time, with the salmon fishery, there was a $100-million program for compensation to salmon fishermen. I said to myself that it would be amazing if we had to do the same thing with cod. A year later, that's exactly what happened.

Mr. Ken Hardie: Yes. As it turns out, that's exactly what happened.

When we talk about mixing science with the knowledge of indigenous and non-indigenous communities that are actually out on the water, there is a conflict there. We could see the fishing communities exercising what you might call enlightened self-interest. They want to go out and catch fish to make a living. Who can blame them for that? At the same time, our experience in British Columbia with science, particularly around aquaculture, is spotty. There's that old quote that you can lay all scientists end to end and they'll never reach a conclusion.

Do we actually know enough, from credible enough sources, to conclusively determine whether or not a fishery is valid, Mr. Vardy?

Mr. David Vardy: I think the knowledge we have for management has improved over the years. Regarding the question of conflict of interest, there are ways to resolve that. The people who are fishing the resource, whether indigenous or not indigenous, do need to be involved. If there was a decision-making board, as there is in the case of the offshore petroleum board, the people on the board would really need to be those without a vested interest. They would need to be involved in the decision-making process, but not necessarily as final decision-makers because of that conflict of interest situation.

The indigenous fishery is a very important fishery to people. There are lots of very complex issues there. There needs to be a public forum whereby the debate can be tabled and discussed and we can get an understanding of what the best solution is and find a consensus.

Mr. Ken Hardie: The other thing that this committee has studied on both coasts, which hasn't been spoken about here so far, is the whole issue of pinnipeds and predation. The explosion in the populations, on both the west coast and the east coast, must have a significant impact on the sustainability of stocks, with or without any kind of a fishery from humans.

Are there any thoughts on brave measures that might have to be taken and should be taken to deal with pinniped predation?

Mr. David Vardy: Seal predation continues to be a serious issue, and it has always been. However, it's because of the escalating seal population—grey seals and harp seals in particular, but not limited to those—that the balance of nature has been disrupted, and there needs to be something done. There recently was a major study done on the impact of the seal fishery and on the scientific measurement of that impact, just within the last 18 months or so, with very good recommendations for dealing with the seal issue through developing the sealing industry.

I think that's the kind of approach we need to take, to try to be more aggressive in explaining how we have a sealing industry, which is very environmentally sound and very humanely conducted. We have to do more from a public policy standpoint not only to promote the seal fishery economically but also to explain to the public that it is humane.

● (1220)

The Chair: Thank you for that.

We'll now go to Madame Desbiens.

[*Translation*]

Mrs. Caroline Desbiens: Thank you, Mr. Chair. What luck!

Good afternoon, Ms. Morissette. It's good to see you. Thank you for your valuable comments and suggestions.

I'll dig a bit deeper into your remarks. Let's try to get to the bottom of things.

The committee has carried out studies on traceability, seals, mackerel and herring. We're in the process of studying redfish as well. We have a number of concerns. One common denominator always stands out. It's the lack of consideration for the communities.

I heard you talk about co-management and inclusive management as the key to resilience.

How do you propose that the committee address this common denominator, which, by all accounts, provides the solution to the problem? How do you propose that the government improve the situation and bring the communities, non-indigenous people and indigenous people back into the decision-making process and the co-management of our fisheries?

Dr. Lyne Morissette: Maybe that isn't the whole issue. However, the government is currently missing out on a great opportunity to carry out more environmental mediation. I don't have the data for Canada. In Quebec, of all the accredited mediators, only six practice environmental mediation. None of these six people work on marine issues.

In some models, talking and consulting together works well. Take the example of the right whale issue, which I've worked on a great deal. Two departments are responsible for this issue. Transport Canada deals with shipping, a major cause of whale mortality. Fisheries and Oceans Canada deals with fisheries, another cause of whale mortality.

Transport Canada has a system for collaborating with the industry that works well. It participates in meetings, takes into account the opinions expressed and engages in integrative management. For the same issues, Fisheries and Oceans Canada doesn't have this system.

There's a great opportunity for environmental mediation. It doesn't happen much in Canada, but it works well. It certainly isn't done much at Fisheries and Oceans Canada. That's a shame, because this recipe has worked all over the world. It's a scientifically sound and well-documented approach that delivers results.

Mrs. Caroline Desbiens: Thank you. That's very informative.

We should focus more on this. I think that, unfortunately, Fisheries and Oceans Canada is sometimes used for political purposes. We heard Mr. Vardy say that we should separate politics from fisheries management. How nice! I took note of this.

Do you have an opinion on the lack of environmental mediation at Fisheries and Oceans Canada? Can you tell us that, if environmental mediators were more involved in the department's decision-making process, we could avoid repeating past mistakes?

Unfortunately, the Minister of the Environment and Climate Change turned down our invitation to appear before the committee. I wanted to invite him to speak about redfish. Unfortunately, he repeatedly declined.

Do you think that we should call him in to discuss this?

Dr. Lyne Morissette: I think that a number of departments must work together for mediation to take place.

It works. It must be done. The issues that we're dealing with right now involve the history of cod and cod management. Conflicts are arising with fishers over right whales. Marine protected areas must be set up. Usage conflicts will increase in the coming years. We absolutely must learn to work together to become more effective. It's a race against time when it comes to climate change and the erosion of biodiversity.

Our current measures aren't effective. They could be. They must be, because things won't get any better.

● (1225)

Mrs. Caroline Desbiens: I hear you loud and clear. We'll include this in our recommendations. I think that the committee heard you loud and clear, Ms. Morissette.

I may still have one minute.

[*English*]

The Chair: You have one minute and 20 seconds.

[*Translation*]

Mrs. Caroline Desbiens: Good.

We've been talking about redfish lately, and the lack of consultation with people on the ground. I was elected five years ago today, and for five years, I've been hearing about the lack of consideration for people on the ground. For five years, redfish fishers have been saying that we should reopen the goldfish fishery, because goldfish are eating shrimp.

We now realize that there may be an issue with the northern cod, which lacks prey to feed on. Fishing and seals aren't the only things to consider.

Could environmental mediation shed significant light on ecological balance?

Dr. Lyne Morissette: It could provide different knowledge and perspectives.

I don't think that we have the full story yet. An ecosystem is extremely complicated. I spent my master's and doctorate studies trying to understand why the cod stock was so low and where seals fit into the story. It isn't straightforward. We need to look at more than one issue.

When we want to act too quickly, think linearly and work in isolation, we lose sight of the big picture. We probably miss out on the best possible solutions. It's extremely important to work together. Most of our knowledge doesn't come from a scientific notebook. Most of our knowledge comes from the people who have both feet on the boat and who see the sea and the changes in the ecosystem every day. They also bear the brunt of the impact.

Obviously, we must listen to them.

Mrs. Caroline Desbiens: Thank you.

[*English*]

The Chair: Thank you, Madame Desbiens.

We'll now go to Ms. Barron for six minutes or less, please.

Ms. Lisa Marie Barron: Thank you, Chair.

Thank you to both of the witnesses for being here today. My question is for Mr. Vardy.

First of all, I'm pleased that you're here today to be able to bring us your wealth of experience and knowledge. I found your point interesting around the priority given to year-round jobs over conservation. Can you elaborate on that a little bit more?

Mr. David Vardy: That's the key in terms of management, trying to find a way to remove the politics from the management of the fishery. The volatility, the ups and downs, and the instability of the fishing industry is largely attributable to the fact that there have been too many decisions taken without enough knowledge, and without enough weight assigned to science and conservation. Various environmental factors are very important as well.

There's not just one indicator of success, like the biomass. There are issues with recruitment and water temperature. There are seals and a whole host of factors. Inherently, there's a lot of need for good science, but also good input from harvesters and the people who are out on the water. Some kind of a joint management process would be extremely beneficial in terms of not only separating out the politics but making the politics and the science more transparent.

One of the big problems we have right now is that there's ministerial discretion. Often, it's not clear what the factors are that influence a minister's decisions. We need to have more transparency, more public input and more.... This is an industry where the regulator, quite often, is captured by the industry. The term “regulatory capture”, I think, applies to many industries, not least in the case of the fishing industry. We need something to keep the industry in its place—to keep everybody in their places.

The public should be in its place as well. I think the public needs a seat at the table. My biggest concern right now is the fact that civic society is excluded from much of this process.

Ms. Lisa Marie Barron: Thank you, Mr. Vardy. You answered many of my other questions all in that one question. That was good.

One thing that you were talking about was around the joint management fisheries board, around the importance of independent science. When my colleague, Mr. Small, was asking the question about whether you felt that the LRP was part of a political plan, I was reflecting on that, because we have taken extensive time as a committee to study science and the impacts of science not being independent on management decisions. It was interesting to me to think that we wouldn't be posing questions like that if we had a sound management plan that included robust, independent science.

To get to my main question, the other witness who was here today, Mr. Bonnell, had mentioned that Iceland and Norway have robust fisheries management practices, and he felt that Canada had comparable management plans. Now, I hope I'm not poorly articulating what it was that he said, but I'm wondering what your thoughts are on that. Does Canada, in your opinion, have that same independent science, the robust, science-based management plans that we require?

● (1230)

Mr. David Vardy: If you were to look at international best practices, you'd see, I think, that we probably don't. I'm inclined to think we don't. I think that Iceland and Norway probably have a better process. However, when it comes to this—you mentioned the limit reference point, as to what extent that was shaped out of a political process or a scientific one—again, I come back to the question of transparency, because there was a question about whether this new DFO fisheries model has been verified and validated. I've asked scientists and other people to tell me if this went through the proper process.

What I was told was that DFO science invited people, and specific people were asked to come. With some of them, they shared the data; in other cases they didn't. Most of the people attending the forum were by invitation. It wasn't open. Was this an open process that led from the old LRP to the new one? I would think it's not. It was not really as transparent as it should have been, because I think there's such a quantum change.

When I was deputy minister of fisheries, essentially, we needed to have one million tonnes of spawning biomass in the water before we could have a productive fishery. Now we're down somewhere between 300,000 tonnes and 400,000 tonnes. On the quantum change, the reduction in the LRP, the goalpost, changed to a large extent here, much more than the stock. Some can argue that the stock has increased, and some of the previous witnesses spoke about that—that the 2024 surveys are very encouraging. However, one swallow doesn't make a spring. It takes more than one survey before you can reach definitive conclusions about the health of a stock.

My fear is that the limit reference point was changed without proper consultation, without the kind of open civic engagement that's needed to have credibility for science. My sense is that, when you come back to the Canadian question of where Canada stands, I'm not so sure.

The Chair: Thank you, Ms. Barron.

We'll now go to to Mr. Arnold for five minutes or less, please.

Mr. Mel Arnold: Thank you, both of you, for being available today. I want to start questions with Ms. Morissette, if I could.

Ms. Morissette, you're a marine mammal specialist. Is that correct?

Dr. Lyne Morissette: Yes, that's correct.

Mr. Mel Arnold: What mammals do you specialize in?

Dr. Lyne Morissette: Right now I work on endangered species like the North Atlantic right whales, but I've worked quite a lot on seals for my master's and Ph.D.

Mr. Mel Arnold: You must have a lot of background, then, on seals and so on. How many pounds of fish does a seal eat or require in one day?

Mme Lyne Morissette: It depends on the species, but a seal like a grey seal can eat up to 3,000 pounds of fish per year. That's quite a lot.

Mr. Mel Arnold: Okay. How many seals would there be in the northern cod ecosystem area?

Dr. Lyne Morissette: Again, it depends on the species. We have more than 600,000 grey seals, and the harp seal population is in the millions. The populations are exploding right now.

Mr. Mel Arnold: Could you give me a quick estimate as to how many tonnes of fish those seal populations could be consuming annually right now?

● (1235)

Dr. Lyne Morissette: I haven't done the math, but it's a lot of fish.

The seals can adapt; they are generalists. When there's no more of one type of fish, like cod, their population will not decrease due to a lack of food. They will just switch to something else and continue eating. They are competing with cod as a predator in the ecosystem as well. Cod, when it was abundant, was quite a big fish that was competing for the same kinds of food resources that seals were.

There are a lot of questions. We're trying to figure out the role of seals in the ecosystem and their part—

Mr. Mel Arnold: Thank you.

Would you be able to provide the committee, in writing, with the information that I just requested on the number of seals and how many tonnes of fish they may be consuming in the northern cod ecosystem?

Dr. Lyne Morissette: Yes, definitely.

Mr. Mel Arnold: When you say that they're basically opportunistic feeders, they would, then, if there were insufficient numbers of cod, tend to feed on, perhaps, the capelin or other smaller fish that cod may prey on. Would that be a correct statement?

Dr. Lyne Morissette: Yes. It would have a double impact, because they would eat the prey that would be available to cod as well.

Mr. Mel Arnold: Thank you.

It's very interesting. As I mentioned to our last witnesses, we tend to hear at this committee how everyone is competing for the last few fish but not really looking at why there are only a few fish left. That's what I'm hoping to get at with this line of questioning.

Mr. Vardy, you mentioned that you feel the LRP, or the limit reference point, was changed without transparent consultation. Could you elaborate a little further on that?

Mr. David Vardy: Historically, with the northern cod, of course, it was in the sixties and seventies when there was a massive onslaught of foreign fishing on those stocks. Prior to that, the spawning biomass was on the order of 1 million to 1.2 million metric tons. Then, of course, we had this decline that took place and you had the extension of jurisdictions in 1977, and Canada started to build up its fishing effort. We started to build fish plants around the province. We created an enormous capacity. We built up more capacity, different kinds of gear, a lot of pressure on the resource—

Mr. Mel Arnold: I'm sorry, but my time is running out very quickly here.

You mentioned that the LRP was changed without transparent consultation. Would you elaborate specifically on that?

Mr. David Vardy: My understanding is that, in 2023, there were consultations held by DFO, and people were invited to come and participate in the new model. The LRP emerged from the new model of 2023.

My understanding is that the scientific.... Peer review is an important process in science and in the management of fisheries. It means that all the authorities.... You need to have peer-reviewed publications. You have science. That's how science works in today's world. You have to have not just the people who are invited by DFO to come and review the documents, but the people who come because they're interested and want to have access to the models, be able to simulate the models and just see how the models comport with the previous data.

We had so many royal commissions and reports, like the Harris report and the various reports that made conclusions about the fishery. It would appear, based on the new model, that many of those reports have gone out the window and that we had not a clue in the nineties what was happening to the resource. You have a lot of distinguished scientists who got their names certified and written on documents and publications, and now we're being told they were wrong.

It's a big event in Newfoundland and Labrador because it's a dispute over whether this fundamental resource is sustainable or not sustainable, and whether we've been doing a good job. What you have here is that the science people used—the science that Michael Kirby used in recommending that we harvest up to 400,000 tonnes and the science that Les Harris used in 1990 to say we should be reducing the quota down below 100,000 tonnes—is all flawed because now we have new information going back to the fifties.

I'm not saying it's wrong. I'm not a scientist. I have no right to make any statement like that, but I think there needs to be a more open, public forum where people can come—and not just by invitation only. There needs to be a better process. My sense of this is there's a lot of—

● (1240)

The Chair: Thank you, Mr. Vardy. I have to cut you off there. We've gone two minutes over the time, actually.

We'll move on to Mr. Kelloway now as we finish up this portion.

Mr. Mike Kelloway: Thank you, Mr. Chair.

Actually, that's a really good segue. I wanted to say thank you to the witnesses today for their testimony.

Mr. Vardy, thank you for your service to Newfoundland and Labrador and Canada through the various roles you've had.

You talked about a shared model of management. Can you unpack that a bit? One of the benefits of having a committee and having experts come in is that we have a certain amount of time, but we don't have a lot of time to unpack terminology.

You mentioned a shared management approach to the fishery and you cited Iceland and Norway. I wonder if you can break down some of your thoughts about the governance and how that may work, but in a very short period of time. It's very similar to a game show. We have only a certain amount of time until the buzzer goes off.

Could you provide us a bit of your experience on what that shared model would look like?

Also, thank you for your recommendations today. They were very much appreciated.

Mr. David Vardy: Thank you for the question.

Norway and Iceland are both unitary states. They don't have federal jurisdiction the way we do in Canada and the United States. When you look at Australia and the United States, you see quite a different approach to fisheries management, because they're federal states. In the United States, you have a very comprehensive system of joint management that involves the states but is not one-on-one, because there are 50 states in the U.S. We have 13 subnational jurisdictions in Canada, or 10 provinces—however you want to look at it—but in the U.S. they have this regional approach. The regional approach brings the states together. In Canada, however, property and civil rights are in the jurisdiction of the provincial governments.

When I was the deputy minister of fisheries, the Government of Newfoundland and Labrador had jurisdiction over fish plant licensing and major capital investments in that sector. The federal government had major jurisdiction over the harvesting sector and to a large extent over marketing and quality control. There was an overlap on quality between the federal and provincial governments. What we didn't have was a mechanism to bring this together formally under the law. You had people in the industry being regulated and getting one set of regulations....

If you're a vertically integrated fishing company, you have to deal with a lot of different regulatory regimes. We need one integrated regulatory regime. That's what we did with the offshore. The Atlantic accord created the Canada-Newfoundland and Labrador Offshore Petroleum Board, which brought together those regimes and created transparency. That's essentially, in my opinion, what we need to do here.

Iceland and Norway have been very successful in what they've done in managing their stocks. They never let their cod stocks get to the point that ours did. We made a major failure. A lot of that failure was the lack of coordination between governments. Governments were giving conflicting signals. The provincial government was encouraging more fish plants to be built, and the federal government was saying, no, you have enough. It depended on which minister was in power. You had some ministers who were pro-development and other ministers who were pro-regulation or pro-conservation.

I think it's about time for us to really focus on how we do the management. I think the instability of our industry is to a large extent attributable to the way we have managed it, particularly the politics of it. We should be world leaders in the fishery. We have enormous resources if we can rebuild those resources. We talk about megaprojects in Canada. The fishery is a megaproject—a potential megaproject.

Mr. Mike Kelloway: Absolutely.

Mr. David Vardy: If you look at the amount of fish we used to produce compared with what we're producing today with failed management, the potential output and the value added for that industry is enormous. It's a big economic development opportunity we're missing out on in Canada. We're failing. We should be coming up abreast of the other countries.

The key question that we need to ask and that this committee needs to ask is this: What does it take? What resources are needed? What structure is needed to bring forward that more modern industry, which creates a lot more value than what we have today?

● (1245)

Mr. Mike Kelloway: I appreciate that.

Chair, how much time do I have left?

The Chair: You have 40 seconds.

Mr. Mike Kelloway: I'll use those 40 seconds and stay with Mr. Vardy. I have the time, Chair, so I'll use it.

With the last set of witnesses, we talked about trawling and how different it is from the seventies, eighties and nineties. Given your experience, and having been at the forefront of the fishery, is there a difference between trawling in the seventies, eighties and nineties—the nineties in particular, when you were there—and now in terms of conservation and protection, or is it grey or nuanced there?

Mr. David Vardy: I think we have to look at this in terms of the mortality of fish. At the end of the day, it comes down to the mortality and how much mortality there is. Technology can be a great friend, but it can also be a big enemy. We have become so good at fishing. With auto-trawling or whatever the technology it is, we've become extremely good. We can overcome nature. We can overwhelm nature. We really need to fish better than we used to fish.

Is auto-trawling today more benign than auto-trawling many years ago? The reality is that, if you're fishing spawning concentrations, the fish don't have a chance. They do not have a chance. Dr. Harris had some really good analogies. What happens is that the fish congregate. They congregate when they're spawning. They congregate to spawn. They have a big feeding period with capelin, and then they go. When they spawn, they congregate. They're very vulnerable. The auto-trawl catch per unit of effort can continue to be level. You can be fishing and then suddenly it drops off. That's the kind of thing that happens in the fishery.

When I was the deputy minister of fisheries, I remember the day I got a call from the largest fish company. He said they were closing down the plant at Port Union the next week, because the trawlers were coming in without any catch—nothing. There was nothing in the trawl. We had reached the point where everything was great until it wasn't. It wasn't just a nice tapering. It was an abrupt fall, because the technology was so good.

We shouldn't be fishing spawning concentrations. It's not fair. It's like shooting moose from a helicopter.

The Chair: I think shooting moose from a helicopter would be somewhat conspicuous as well.

Anyway, thanks to our witnesses. We have to go in camera now to do some committee business, but I want to say thank you to Ms. Morissette and Mr. Vardy, of course, for sharing their knowledge with the committee today as we go through this particular study.

We'll suspend for a moment now to switch to in camera. Our witnesses can sign off, exit or whatever, and we'll get into some committee business.

[*Proceedings continue in camera*]