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John G. Leefe* M.L.A.

The Groundfishery in Crisis:
A Personal Snapshot

The collapse of the Atlantic fishery has resulted in significant economic dislocation and is in likelihood, going to result in long-term social dislocation as well. The unalterable fact is that the fishery of the future is going to be dramatically different from that which we are now leaving. Hindsight is not valid currency nor is assessment of blame a worthwhile exercise. We can, if we so choose, learn from the past. If we select that path our descendants will applaud us. If we choose to be as blind in the future as we often have been in the past, they will curse us. It is too early yet to define with any degree of certainty what the future fishery should look like. It is timely however, that we should begin to search for the right questions as a first step toward securing the right answers. One thing is certain. There is no going back, only forward.

It has been five years since I left fisheries and much has transpired in the interval. Atlantic Canada finds itself in a fisheries crisis more complicated than ever before. Stocks, especially northern cod, have declined dramatically. While declines in other times were assuredly due to natural phenomena, now it is universally agreed that overfishing is the principle, though not necessarily the only, factor in the current crisis.

Canadians for the first time are also facing tremendous competition in the global marketplace. We in fact are running the real risk of losing our market share. Capitalization continues to be a problem as does the hangover from the overcapitalization of the late eighties. It is increasingly difficult for the industry to secure lines of credit from legitimate lenders, let alone acquire reasonable operating margins against inventory and receivables. While interest rates are lower than they have been for almost two decades, they count for nothing when a frightened lender just says "no" or, worse, panics and calls in a loan. In fact, about the only thing which currently favours the industry is the spread between the Canadian and the American dollars. As has so often been the case in the past, the Canadian fishing industry is highly dependent on speculation with respect to the differential between the two currencies. It is a penetrating

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glimpse into the obvious to say that all is not well. Yet when all is said and done, by far the most important single factor is the availability of fish. Everything else—everything—flows from that.

There is nothing new about crises in the fishery. The substantial difference between this and others is that this one is happening to us. Take for example two 1767 entries in the *Diary of Simeon Perkins*:

Sunday, Sept. 20th – Schr. Jolly Fisherman arrives from Scatterie with 150 qtls. Went to Newfoundland, thence to Labrador, through the Straits of Belle Isle, where they heard a new bank was found. Caught no fish. Went north as far as 54.30 . . . [P]roceeded to the Grand Bank, and got no fish . . . came to Scatterie where they caught this lot in four weeks.¹

and

Saturday, Nov. 21st – . . . Liverpool is in poor condition. No fish. Not one month's provision, and in debt in general more than they can pay. Last season was exceptionally bad.²

Perkin's diary covers the period 1766–1811 and is replete with examples of fishery activity. In some instances he complains of poor catches; in others he speaks of weakened or strong markets; and elsewhere he decries competition from American fishermen. Always there is the challenge to attract sufficient capital at affordable interest rates from legitimate lenders. Partnerships among local businessmen were common fare both to pool modest capital resources and to spread risk.

Most of Perkins' observations and experiences are pertinent to other Nova Scotians in other times. The constant lies in the fact that the fishery has remained a staple in the province's economy and that its relative strength fluctuates, although often for different and unrelated reasons.

The history of the fishery is also replete with efforts by government to strengthen it through a variety of subsidies and trade barriers. In 1802 the Nova Scotia Legislature agreed to a bounty of 1s per quintal on all sound and well cured cod for the European and West Indies markets.³ Later in the decade, barriers were raised against American exports to the West Indies. This action greatly improved the prospects of selling Nova Scotia fish in the West Indies market.

The fishery is also the story of fences; fences that didn't work because those who created them failed to understand that fish don't pay much attention to fences. For openers, consider the creation of the 200 mile

1. Simeon Perkins, *The Diary of Simeon Perkins, 1735–1812* (New York: Greenwood Press, 1969) at 31.

2. *Ibid.* at 35.

3. *An Act for [E]ncouraging the Fisheries [sic] of the Province, by [G]ranting a Bounty upon Cod-Fish [sic], [C]aught and [c]ured by the inhabitants thereof*, S.N.S. (at large) 1802 (3rd Sess.), c.20.

fisheries zone in 1977.⁴ The assumption was that this would inevitably lead to secure and indeed strengthened fish stocks. Disregarded were factors such as continuing pressure on transboundary stocks and new pressures brought to bear by governments. In the case of the Government of Canada, it was the issuance of too many new harvesting licences. In the case of the provinces, it was too great encouragement for expansion of both the harvesting and processing sectors.

Fences were also erected within the Canadian Zone. In 1982 the Department of Fisheries and Oceans introduced Sector Management.⁵ It was said that this new management tool would allow groundfish vessels under 65 feet to be managed within the region with only occasional reference to Ottawa. That of course never happened because Ottawa never allowed the local managers to exercise anything other than the most modest discretion. The essential impact was restriction of vessels under 65 feet to the regions in which their home ports were located with the corresponding loss of mobility and economic viability. As will later be noted, shrinking fishing areas and the determination to circumvent their imposition would become a significant factor leading to misreporting of catches.

Traditionally, Nova Scotia fishermen had been the distant water sailors of the Canadian fleet. This is clear at least as far back as the 1760's and is evidenced in the Perkin's entry that puts the Jolly Fisherman in the vicinity of what we now call Hamilton's Bank. Nova Scotians were fixtures on the Grand Banks and actively pursued various fisheries in the Gulf of St. Lawrence, including the halibut fishery around Anticosti Island. George's Bank was on the very doorstep of Nova Scotian fishermen.

The essential effect of sector management was to drive and restrict the most active and successful fishing fleet to one of the two most heavily fished areas along the Atlantic Coast, namely the Scotian Shelf. The other, of course, is the Grand Bank. Curiously, it seems to have been a significant revelation to Ottawa when fish stocks on the Scotian Shelf were found to be under stress. One cannot help but wonder at their surprise considering the tremendously active nature of the Southwest Nova Scotian fishery.

Sector Management also had the effect of raising expectations in the Gulf and Newfoundland regions that more fish would be available and

4. *Fishing Zones of Canada (Zones 1, 2 and 3) Order*, C.R.C., c. 1547. See also C.R.C., cc. 1548-9.

5. For a description of the sector management strategy see *Resource Allocation in Canadian Fisheries Management on the Atlantic Coast* by K. Laubstein (Ottawa: Dept. of Fisheries and Oceans, September, 1987).

that governments and bankers should make more capital available for expansion both onshore and offshore—and they did. Sector Management, then, led to greater inefficiencies, more licences, more boats and plants, more debt, more grants and incentives to expand, and thereby place correspondingly greater stress on fish stocks.

On October 12, 1984 the World Court at the Hague rendered its decision on the international boundary across George's Bank.⁶ Another fence sprang up along the Atlantic Coast. On this occasion Canada was a heavy net beneficiary acquiring only one sixth of the area yet receiving a disproportionately large share of the resource, including 54% of scallops, 25% of cod, 38% of haddock, 20% of offshore lobster and most of the herring. While this new barrier raised expectations of greatly improved opportunity, it did not resolve the basic dilemma that the fish are unlikely to pay much attention to the World Court. Stocks could not be sustained unless both Canada and the United States were prepared to enter into some form of cooperative if not joint management.⁷ The political climate of the day was not conducive to this. Canadians were not prepared to cave in to the United States, which had, out of a combination of greed and pique, forced the entire matter to the World Court in the first place. In fact, in discussions surrounding the founding of the Gulf of Maine Council in late 1989, the entire matter of the George's Bank fishery was so taboo that fish were simply referred to as "the F word".

Fences, although intended to sustain the fishery, have had the net impact of placing further stress on it. They have created unreasonable expectations and resulted in increased capitalization, expansion, exploitation, and finally, diminution, if not collapse, of several vitally important fish stocks. Endeavouring to fence a resource in the wild is a fool's errand indeed.

Nova Scotia has been consistent in its criticism of fences and especially of Sector Management. While the province welcomed the 200 mile fisheries zone and the George's Bank decision and more recently amendments to the Coastal Fisheries Protection Act⁸ which extend Canadian control to include straddling stocks even outside Canada's 200 nautical mile limit, it is recognized that these are not ends in themselves. They are significant early steps toward managing fish stocks in a prudent and

6. *Delimitation of the Maritime Boundary in the Gulf of Maine Area (Canada v. United States)*, [1984] 1.C.J. Rep. 246 at 368; 23 I.L.M. 1197.

7. On the need for cooperative or joint management of Eastcoast transboundary stocks see generally, J. Donaldson & G. Pontecorvo, "Economic Rationalization of Fisheries: The Problem of Conflicting National Interests on Georges Bank" (1980) 8 O.D.I.L. 149.

8. *An Act to Amend the Coastal Fisheries Protection Act*, S.C. 1994, c.14, amending R.S. 1985, c. C-33.

rational manner which avoids creating a gold rush mentality in government, communities, and industry.

The province recognized catching immature fish was wide spread and was certainly to the detriment of the fishery's longterm interests. Unsuccessful efforts were made to have the federal government adopt Atlantic wide minimum size regulations in 1986. Under the guise of managing fish as "property" once landed, provincial minimum size regulations were enacted and enforced.⁹ Understanding that the explosion of fish plants associated with the boom of the mid-eighties was detrimental to the industry, the province in 1988 placed a ban on the issuance of new processing licences for groundfish.¹⁰ These policies remain in force. While these initiatives were important, their impact was muted as a result of the tremendous over-expansion of the late 70's and early 80's. There were simply too many vessels chasing fewer and fewer fish within the narrower and narrower fishing areas created by Sector Management.

The provinces from time to time were given opportunities to comment on federal fisheries management, especially at the annual fall meeting of the Atlantic Council of Fisheries Ministers. Here the federal minister went through the annual ritual of hearing the provinces out and then largely doing what Department of Fisheries and Oceans staff had intended in the first place. Canada had convinced itself that we had the very best fisheries management in the world and that it was empirically based in scientific fact. All fishing effort was measured against FO.1, which was said to be roughly 2/3 of the minimum fish mass required to sustain a given stock. This was the credo for Canadian fish managers. The cloak of security in which Ottawa wrapped itself was as transparent as the emperor's new clothes.

American fisheries management was widely reviled as pathetic and ineffectual in contrast to Canada, yet as the Canadian experience began to fall apart, certain elements of the American regime came to be viewed in a more favourable light by Nova Scotia. The conclusion was reached that while Canada had superior enforcement and fisheries science, the Americans had a better mousetrap in the way they applied effort controls. The catharsis which really blew a hole in smooth sailing between Ottawa and the province was the recognition by Nova Scotia that the statistical basis for fisheries management was significantly flawed as the result of widespread misreporting of weights, species, and areas of catch.

A letter was forwarded to then Minister of Fisheries and Oceans, Tom Siddon, expressing unequivocally the provincial government's view

9. N.S. Reg. 103/86.

10. N.S. Fisheries Inspection Regulations, O.I.C. 84-1404, N.S. Reg. 286/84.

with respect to the integrity of federal harvesting statistics. Not surprisingly, this was widely reported in the media. On October 13, 1986 the *Chronicle-Herald* reported:

Federal fish quotas are “meaningless” and should be replaced with a new approach to fish management, Nova Scotia Fisheries Minister John Leefe said Saturday . . . “The system is not working and it can’t work because the whole statistical base is fictitious”, Leefe said. “Our basic position is that the entire system of managing quotas is entirely fictitious because, for the most part, the [catch] statistics on which they are based are not accurate, and are therefore meaningless” . . . Leefe slammed the federal government for sticking with a system that has “disincentives” to reporting catches accurately. “There has got to be a completely new way of developing a management regime with incentives to report correctly.”¹¹

An article of October 15, 1986 titled “Vast Illegal Fishery Exposed” reported:

As much as half the fish landed in Nova Scotia is taken illegally in a massive black market that could net fishermen between \$40 and \$60 million this year in unreported catches, provincial and industry sources confirm. Leefe confirmed . . . “Industry people, including a lot of fishermen, are telling us the quota is being exceeded by one third to one half”. Allan Billard of the Eastern Fishermen’s Federation stated there was rampant misnaming of species on official DFO reports filled out by fishermen and processors, underestimating catch weights by fishermen and wharf-side wheeling and dealing that profited both companies and fishermen engaging in the trade. Roger Sterling of the Seafood Producers Association of Nova Scotia observed that if the provincial figures were accurate, “my main concern would be for the stocks. It would have implications on the way we’ve been managing our fish . . . if the picture being painted is true, it makes it look like a farce”.¹²

Needless to say neither Tom Siddon nor senior Department of Fisheries and Oceans (DFO) staff in Ottawa were amused. The sacred cow had been gored and the truth was out in the open for all who cared to see.

On December 1, 1986 the Council of Atlantic Fisheries Ministers convened in Halifax. Siddon opened the meeting noting that there was widespread concern in Newfoundland with declining inshore catches of cod. In the Gulf stocks were in decline and in spite of reallocation from French vessels, there would have to be cuts. Scotia-Fundy would have to be cut as well. In the final analysis, Newfoundland was cut 7.1%, the Gulf 15.9%, and Scotia-Fundy 9.2%. DFO’s aim was to move gradually to achieving the FO.1 management level of stocks without imposing abrupt drastic reductions, while at the same time taking into consideration stock

11. *The [Halifax] Chronicle-Herald* (13 October 1986) 1.

12. *The [Halifax] Chronicle-Herald* (17 October 1986) 1.

assessment and stock biomass. Leefe observed that factors like misreporting, dumping and discarding needed to be closely applied in FO.1 assessments.

With respect to 2J3KL cod,¹³ a review of Canadian Atlantic Fisheries Advisory Committee (CAFSAC) advice indicated that while the stock biomass had been on the increase, the inshore fishery had been experiencing declining catches. Several factors had been looked at as possible influences including unfavourable water temperatures in the inshore and the pattern of offshore fishing effort. The final decision called for a reduction in the total allowable catch (TAC) for northern cod in 2J3KL of 10 000 metric tonnes and further that it would all be born by the offshore fleet. This was particularly detrimental to Nova Scotia as National Sea Products and several of the Independent Offshore Group (IOG), including Mersey Seafoods of Liverpool, relied to an important extent on northern cod from this zone. In the intermittent fish wars between Newfoundland and Nova Scotia, northern cod loomed large. Nova Scotian interests, both government and private sector, were never quite sure whether the federal position was based on politics or good science. As things turned out, the right answer was given for the right reasons. What no one realized was just how desperate the situation was quickly to become.

Understanding the importance of retaining the fishery in Nova Scotian communities, of maintaining the province's share in a highly competitive global marketplace and of protecting stocks for the long term, Nova Scotia put forward a number of initiatives which it believed would significantly help to achieve these goals. These recommendations were premised on the need to address questions of misreporting, discarding, catching small fish, licensing, and the general system of stock assessment and setting of TACs. The province tenaciously held to the tenet that adequate catch data was unavailable resulting in entirely inadequate management decisions. The province put forward the proposition that for two or three years stocks should be managed with controls on harvesting

13. 2J3KL refers to a sub area of the Convention Area of the Northwest Atlantic Fisheries Organization (NAFO) which was established by the Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries. The Convention was opened for signature on October 24, 1978 and came into force on October 24, 1978. The Convention Area includes waters falling under the jurisdiction of Canada, Denmark (Greenland) and the United States, as well as waters extending beyond the 200 nautical mile limits of these three coastal states. The convention Area is divided into scientific and statistical sub-areas, divisions and subdivisions, which are used to describe the area of migration of particular stocks of fish. See NAFO Handbook, (Dartmouth: The Headquarters of NAFO, 1994).

effort and the protection of juvenile fish. The controls put forward *as a package* included:

- continuation of limited entry
- elimination of unutilized licences
- strict enforcement of mesh size regulations
- prohibiting possession of small mesh gear for other than directed redfish trips
- Atlantic-wide introduction of minimum fish size regulations by DFO
- enforcement of shelving and icing regulations
- creating incentives for the hook and line fishery including an experimental allowance for longliners and hand handliners under 65'
- trip limits for mobile gear vessels
- strict enforcement of Section 48 of the Fisheries Act for log book returns as a condition of licence
- protection of spawning stocks and juvenile fish through temporary area closures
- no mid-year transfers
- the implementation of bleeding, gutting and icing regulations
- generally, measures to assist the less mobile fleets possibly through access to fish currently harvested by foreigners such as Soviet allocations of cod in 3NO.

Typical of DFO, the recommendations were cherry picked and with the worst of consequences. While the province had agreed to deal with the matter of "back pocket" dragger licences in return for an allowance for longliners which would have the effect of not shutting them down, DFO chose to "freeze" all licences not currently being utilized. That led to a tremendous firestorm between fishermen and Ottawa and between the province and Ottawa. This resulted in very strained relationships between the two ministers. Nova Scotia still believes that a singular opportunity to change fisheries management in Scotia-Fundy in a dramatic, substantial, even radical way was irretrievably lost because Ottawa never really understood the true nature of the fishery in the region. A case in point was the dramatic removal of the universally respected Paul Sutherland as Director-General, Scotia-Fundy Region, in July 1986. Siddon and his humourless deputy, Peter Meyboom, it was widely rumoured, both criticized Sutherland for being too close to the industry. Everyone else it seemed deemed this to be an asset. Sutherland went to Winnipeg and the situation in Scotia-Fundy went from bad to worse.

In 1987, in an address to the annual meeting of the Fisheries Council of Canada, the Nova Scotia minister again put forward proposals for revision of resource allocation and fisheries management. These included:

- reduction of further capitalization by the provincial government in the inshore harvesting sector.
- recognition of the tremendously diverse elements in the under 65 foot fleet and establishment of a more equitable distribution of available resource within it.
- concurrent with the review of the Enterprise Allocation, which then was underway, instituting a package of management initiatives that would reflect the legitimate requirements of the multi-licence inshore fishermen, mid-shore groundfish specialists and the offshore.
- acceleration of research, development and management initiatives which would reduce destructive harvesting including utilization of larger square mesh otter trawls, selective gear, and minimum limits.
- reducing the degree and complexity of fisheries management—the 1987 season opened January 1 with 8 closure notices already having been issued with a further 175 having been issued by September.

The provincial minister went on to say that, within the scope of management policy, the control and reduction of fishing mortality must be a primary objective.

It is incumbent upon managers in industry and government to reduce the capture of juvenile fish as well as to diminish any incentive to discard. One way of doing this is to encourage hook and line fisheries, particularly longlining. It is one of the few initiatives available to managers which will reduce effort while not reducing the number of fishermen and therefore must be fully explored. It is within this context that I [Leefe] supported an inshore hook and line allowance for 1987 and continue to do so in 1988. By its very nature it is both a selective and a labour intensive fishery. An allowance program is particularly attractive as a potential and acceptable means of retiring potential dragger activity in favour of a multi-licence fleet.

The relationship between Nova Scotia and Ottawa was further poisoned over the issuance of additional offshore lobster licences. The last meeting of Atlantic Council of Fisheries Ministers attended by the author was December 14, 1988 in Ottawa. It was a most disorganized affair with the federal minister frequently leaving the chair to attend matters known to him, but not to his provincial colleagues. Everyone left the meeting with the sense that DFO had run out of patience with its provincial critics. The author's final observation was a bitter one. So much effort had been expended preparing for the meeting and so little attention was paid by the federal minister who chose to leave early in order to attend a luncheon.

During the five years the author served as Minister of Fisheries for Nova Scotia, the province concentrated largely on matters falling within its constitutional responsibilities. There were occasions, however, when provincial responsibilities had an impact on harvesting. In the late 1980's

the Fisheries Loan Board adjusted its policies disallowing loans for new draggers, although replacement vessels were eligible. The Board also refused to provide loans for combined licences and for construction of so-called “jumbo 44’s”. The intention was to lend encouragement to longliners, not to draggers.

In March 1989 the province put a moratorium on the issuance of groundfish processing plant licences and groundfish buyers licences. This was in recognition that the resource was becoming sufficiently stressed that plants and buyers of long standing were going to face an uncertain future and that increased competition would serve no party well. To date the only new licences issued by the province are for fish other than groundfish and for unutilized and underutilized species.

In 1989 Siddon established the Haché Task Force, a one man inquiry headed by Assistant Deputy Minister Atlantic Jean Eude Haché. The purpose of the exercise was to create a new management regime on the basis of recommendations made by interested people across Atlantic Canada. The author made a submission and when the Haché Report¹⁴ was complete and public, praised it as a sound document. There was certainly some satisfaction for Nova Scotians as fully two-thirds of the recommendations reflected those made through the years by industry and provincial fisheries. The emphasis was on longlining and the need to make it more attractive; on putting an end to dumping, high-grading and fishing by “shopping lists”; on the introduction of mandatory observers in the Canadian offshore; on the use of mandatory square mesh nets; and on the banning of net liners. It was refreshing in its emphasis on managing by effort control, closures and trip limits with mixed species total catches instead of fishing entirely to mythological numbers created by what, at best, is a most imperfect science. Sadly, the recommendations were too late; the decline in stocks had passed from serious to critical. In any event this report too went the way of so many others, consigned to an Ottawa shelf to gather dust. It is the view of many in the industry today, that if the recommendations of the Haché Report had been implemented immediately, the currently prevailing situation in Southwest Nova Scotia might well have been averted. The rest, as they say, is history.

It is possible, however, to close on a positive, perhaps even optimistic, note. In its 1993 *Conservation Requirements Report* to Minister of Fisheries, John Crosby, the Fisheries Resource Conservation Council (FRCC) spoke, however timidly, to the matter of effort control.

14. Canada, *Report of the Scotia-Fundy Groundfish Task Force* (Ottawa: Dept. of Fisheries and Oceans, 1989) (Chair: J.E. Haché).

It is obvious to everyone that the current harvesting capacity and resulting huge amount of fishing effort cannot be sustained—even if stocks could be miraculously rebuilt to somewhere in the range of historical averages.¹⁵

and further

Unless this [controlling effort] the practices of misreporting, high-grading and dumping and the continuing pressure for a greater supply of fish than the resource can sustain will be sufficient to jeopardize the success or even the best intentioned conservation plans.¹⁶

Encouragingly, the FRCC recommendations for 1995 not only further underscore the importance of controlling effort, they also re-enforce the necessity of managing by the “ecological” approach.¹⁷ Perhaps progress is beginning to be made after all.

Afterward

Traditionally, Nova Scotia has argued that there are legitimate places for the inshore, midshore, and offshore fleets. The province has also consistently stated that the marketplace, not government, should determine which processing plants are viable and which are not. Unlike other provinces, Nova Scotia has argued that Canadian fisheries management has been substantially flawed both in its statistical base and in the substance of management application. Nova Scotia has consistently argued against trying to manage by constructing fences around a wild resource. Nova Scotia has also consistently argued in favour of Canadianizing the fishery and, further, that the resource is a Canadian not a provincial resource. All argument aside, what is to be done with respect to rejuvenating a clearly depleted groundfish resource?

Clearly, we must come to understand and respond to the fact that the ocean and the relationships between its lifeforms and their environment are incredibly complex and that we cannot therefore manage fish stocks in isolation from each other and from their environment. In other words, ocean resources must be managed holistically.

Rather than trying to restrict harvesting by virtue of place of residence (read Sector Management), restriction should be based on controlling effort. For example, there is a strong rationale for restricting the inshore and midshore groundfish fisheries in 4VW and in the Gulf to hook and line as well as for stringently restricting activity by vessels with offshore

15. Canada, *1993 Conservation Requirements for Atlantic Groundfish: Report to the Minister of Fisheries and Oceans* (Ottawa: The Council, 1993) (Minister: John Crosbie) at 11.

16. *Ibid.*

17. Canada, *1995 Conservation Requirements for Atlantic Groundfish: Report to the Minister of Fisheries and Oceans* (Ottawa: The Council, 1994) at 2.

capability in these areas. Also, there must be simple instruments made available to managers in the regions to close and open areas where spawners and large congregations of juveniles are found. Penalties for discarding, dumping, highgrading, fishing to fill shopping lists, and other such destructive practices must be sufficiently severe that they serve as disincentives for cheating. Governments must find incentives which will attract fishermen to the most selective and, therefore, the least destructive fisheries wherever possible.

Governments must commit significant financial resources to coordinated and practical scientific fisheries research. Integral to this must be the inclusion of the harvesting sector itself so that it is a partner in the process and so it will be able to buy into decisions taken on the basis of good science. Additionally, monies must be invested in understanding fisheries technology and its impact on the resource and in working with the private sector to develop sound technology. Tax incentives should be made available to the private sector to partner and indeed pioneer in both research and development. The university and scientific communities must be given every encouragement to link directly with the fishing community to create better science for better ocean management and therefore better bottom lines and better longterm prospectives. Internationally, governments must band together to create joint management regimes for transboundary stocks on the understanding that fish move about with little attention paid to human-made boundaries. A good start might well be an international commission to manage George's Bank and the Gulf of Maine.

It has often been observed that difficult decisions about the fishery only get made in difficult times. If that is the case, then what better time to strike! The purpose and implementation of The Atlantic Groundfish Strategy (TAGS) must be clear and unequivocal and must be designed to eliminate the weakest and the least desirable practices. Harvesting Adjustment Boards must work not only quantitatively, but qualitatively. They should create incentives to attract those whose groundfishing methodology is least selective into retirement as well as incentives for the retirement of personal and vessel fishing licences. A part of this strategy should apply to the offshore as well. The boards should have the power to buy dragger and gillnet licences while leaving those who wish to continue in the fishery the option to do so with more selective and less destructive technologies.

Also, government should revisit the Romeo LeBlanc policy of curtailing vertical integration. This prohibition has been applied to processors, but has not been applied to harvesters. A significant result has been vertical integration initiated by fishermen who have become very aggres-

sive fishermen/processors. It has also resulted in the backdoor purchase by processors of many vessels under 45 foot in order to provide them with some reasonable security of supply.

The offshore fleet is often thought to comprise only National Sea Products. In fact, the Offshore Vessel Owners Working Group also includes Fisheries Products International and Seafreeze. The Independent Offshore Group (IOG) has 6 Nova Scotia companies operating in it, namely MV Osprey, Usen, Clearwater, Karlsen, Ocean Fresh, and Mersey Seafoods. These companies, both large and small, have shown capacity for surmounting extremely difficult odds. In the case of wetfish trawlers, they have either been tied up or are employed in other than the groundfishery. Freezer trawler technology has allowed others to redefine fishing effort and concentrate on shrimp and less stressed species which fall under the general headings of underutilized and unutilized. Nova Scotia companies in particular have demonstrated capacity for sourcing product outside Canada, thereby protecting investors and the communities and workers in which the fish is processed. This has also made it possible for these companies to retain customer loyalty and, therefore, a substantial marketshare in a vigorously sharp and competitive marketplace.

Undoubtedly the most difficult decision of all will be whether governments run the fishery as a subsistence social programme or step back and allow it to develop as a viable world class business which, by its very nature, is a creator of new wealth sustained by striving to secure healthy fish stocks. The natural resource sector cannot sustain Canada in the new economy as it did in the industrial age, which we are rapidly putting behind us. It surely will have its place, but that place will be far less prominent and provide far fewer jobs no matter how many King Luds may militate otherwise.

Finally, it may be said that if the arguments put forward by Nova Scotia for new approaches to management had been adopted in the mid-eighties, the situation in Scotia-Fundy might be measurably better than is currently the case. The situation in 4X and 5 might well have stabilized and there might be an inshore hook and line fishery in 4VW. The "might have beens" of history, while interesting to ponder are, however, of no consequence. We are where we are, the best we can hope to do is learn from the past and apply those lessons to public policy and industry initiatives to create a sustainable resource and, in the full meaning of the Bruntland definition, a sustainable economy. All of this must be accomplished within the constitutional¹⁸ law separating provincial and federal

18. *Constitution Act, 1982*, being Schedule B to the *Canada Act 1982* (U.K.), 1982, c. 11.

responsibilities, thereby ensuring to the national government the right and the responsibility to be the honest broker, or at least as honest as any broker can be seen to be, respecting sharing of the common property resource we call fish.

When I first went to Nova Scotia Fisheries, the late D.A. Sandy MacLean who then was Deputy Minister recommended that I read a book entitled *Distant Waters*.¹⁹ As was his custom he gave good advice. The general tenor of the book presaged the difficulties faced today by those who, in time of apparent greater abundance, prosecuted distant water fisheries in the North Atlantic. I think it may also have been Sandy MacLean who reminded me of Joseph Conrad's observation in *Typhoon*. It is an appropriate note on which to stand and look to the future, a future in which we can choose to have a determining, but not definitive hand:

The sea never changes and its works, for all the talk of men, are wrapped in mystery.

19. Warner, William W. *Distant Water: The Fate of the North Atlantic Fisherman* (Boston: Little, Brown, 1983)
– Dalsci SH 213.2 W37 1983.