

Federal-provincial rivalry

What is happening to the fishery?

by Ralph Surette

In August, H.B. Nickerson and Sons Ltd. of Sydney, one of the largest fish companies in Nova Scotia, announced the takeover of a controlling interest in National Sea Products Ltd., which is the largest.

"Maybe the federal people should look into this," said Dr. Dan Reid, the provincial fisheries minister. The federal people, moved with pity by such a distressed appeal, obliged. An official of the Bureau of Competition Policy announced that the transaction was being "monitored," letting slip at the same time the proviso that "we can't do much about it" anyway.

Not that it would have mattered even if anyone could—or had wanted to—do anything about it anyway. The takeover was just a bit of hocus-pocus that changed very little. Nickerson had a voting trust agreement with Empire Co. Ltd. to jointly control National Sea before the acquisition,—the acquisition consisting of Nickerson buying Empire's shares.

Now Empire Co. is a holding company for Sobey's Stores, a supermarket chain which at last count was 40 per cent owned by the George Weston food conglomerate, which in turn owns Connors Bros. of New Brunswick and B.C. Packers, which in turn has large holdings on the East Coast, as well as a rash of other fish companies.

With their vast and intricate webs of subsidiaries and assorted holdings, the Weston and Nickerson interests are very nearly what is

Maritime countries—has been to idle a large part of the roving deep-sea fleets of the most advanced fishing nations, notably Japan, the Soviet Union, Germany, Poland, Spain, plus a half dozen more European countries with lesser fleets. Within the Canadian zone, the foreign boats have not been eliminated but simply reduced by about 50 per cent. The remaining trawlers fish mostly for species that Canadians do not yet fish, species that require quick freezing at sea in freezer-trawlers not possessed by Canadian companies.

Thus these nations find themselves with an excess of trawlers, technology, know-how, capital and—more importantly—markets. They're eager to put that excess capacity back to work on the East Coast of Canada. So are Dr. Reid and Walter Carter, the fisheries ministers of Nova Scotia and Newfoundland.

It need not be insisted that it's been a long time since the great powers of the world were knocking at the doors of Nova Scotia and Newfoundland, looking for economic opportunity.

Ottawa's position

Ottawa, however, is resisting and there's a tussle going on. Just before the opening of the prestigious World Fishing Exhibition in Halifax on the last day of August, Reid and Carter announced a \$900 million plan for a fast buildup of a Canadian fleet. Details were not spelled out, but Ottawa would be asked to put up most of the money. If it did not (and the country's fiscal

processing and then buy it for the German market. A recent arrangement between France and Quebec was also ratified. But Reid, who toured Europe in mid-summer and came back bubbling with enthusiasm, and Carter, want a free hand in setting up such arrangements on a regular basis.

The Provincial scheme

The provinces want the following to happen: through joint ventures, the Europeans, over the next decade, will share their technology (mostly

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freezer-trawlers, some capable of fishing in ice fields and equipped with specialized gear for processing) in exchange for fish, giving Canadians access to their markets. Within ten years Canadians will have secured the European markets and be in full possession of the capacity (assuming Ottawa builds up the fleet) to catch most of the fish within the 200-mile-zone. The happy day will have arrived.

LeBlanc says nonsense to this provincial scheme. The intent of the 200-mile-zone was to preserve the fish stocks and give them a chance to recover. Simply continuing to fish as before under new arrangements is not going to give them that chance. Furthermore, LeBlanc says that a fast buildup of deep-sea capacity will continue the same old prejudice to the inshore fishery, with big draggers sweeping up the fish and ploughing through the small boats' nets. He has not gone as far, however, as to endorse the aims of a campaign by inshore fishermen to have a 50-mile zone from shore in which trawlers over a certain size would be excluded.

The provincial ministers answer in their turn that what they want primarily is to have Canadians catch fish now caught by the foreign trawlers anyway and quick-frozen at sea—capelin, silver hake, argentines and others.

Meanwhile representatives of the foreign fishing nations at the World Fishing Exhibition were almost savage in pointing out the backwardness of Canada's fishing capacity—which was just what Reid and Carter wanted to hear. The fact that this exhibition was held in Halifax at all—its first time outside Europe—underscores the importance given the Atlantic Coast fishing potential by the European countries.

An Icelander called Canada's offshore fishery "primitive". An Englishman called it "laughable". Even a Russian, although he allowed that it was none of his business, said he couldn't for the life of him see why Canada wasn't developing a deep-sea fleet as fast as possible.

The message was that you dumb Canuckskis had better move your ass for a change and deal with us, as these two enlightened gentlemen from Nova Scotia and Newfoundland are proposing. But it was the director of Spain's fish export association, Julio Laquilhoat, who drove the point home. Spain, he said, is ready to buy anything Canada has to sell. But the Spanish market has to be supplied immediately or it will disappear, for already the poultry industry is being expanded to take up the protein void left by the idled Spanish fleet. The same was true of other European countries.

The risks

The upshot of this rather complicated set of forces is as follows.

The risk—indeed the virtual certainty—involved in the Reid-Carter approach favouring joint ventures is that the foreign superiority, once rooted on Canadian shores, will be maintained. The fishery will indeed be "developed"—but it will be a development that might merely upgrade it from a Newfy joke to a Canuck joke—i.e., it will attain the status of the timber and mining industries in Canada as an investment frontier.

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health being what it is, chances are that it will not), then there's all that foreign capital lying around. "The thing we must do is convince Ottawa the foreign capital is available and we should take advantage of it," Reid said.

At the opening ceremonies for the exhibition, federal fisheries minister Romeo LeBlanc warned against being "overzealous" in building up a Canadian deep-sea fleet in particular. Given the history of overzealous industrial schemes that went bankrupt in the Atlantic area, it was a not-so-subtle putdown of the provincial fisheries ministers. Newfoundland's Walter Carter, sitting in the back, seethed. Any more of this kind of talk by the federal government, he fumed later, and Quebec won't be the only place around with separatists. Nova Scotia's Reid called LeBlanc "naive." There's something close to bad blood frothing forth, obviously.

LeBlanc has since stated that he intends to take a "hard line" in resisting too fast a buildup of the Canadian fleet. He is also going to resist, he says, too many "joint ventures" between the provinces and the fishing nations—which are the main technique by which the provinces and especially the European countries want to exchange fish for technology and markets. Ottawa has okayed a couple so far—including one between Newfoundland and West Germany last spring whereby German trawlers catch part of the Canadian quota that Canadians can't catch, deliver it to Newfoundland fish plants for

Whose Limit?

For some people, especially small-boat or "inshore" fishermen, this movement of monopoly forces tends to answer a rhetorical question that has been doing the rounds of the Atlantic shore: **for whom the 200-mile limit?**

Yet, as if to prove—as song and legend has it—that a fisherman's lot is a hard one, monopoly sources aren't the only ones trying to

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muscle him out of what, for a moment, he thought to be his share.

When the 200-mile-limit was imposed last January 1st, it unlocked a vast potential. It may or may not be an exaggeration to say, as the governments of Newfoundland and Nova Scotia have, that it could make these two provinces into "haves," assuming the potential is fully realized.

One of the first effects of the 200-mile-zone—and the declaration of similar management areas off the shores of other