

WEDNESDAY 19 MARCH 2008

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Present

Arran, E  
Brookeborough, V  
Cameron of Dillington, L  
Dundee, E of  
Jones of Whitchurch, B  
Palmer, L  
Plumb, L  
Sewel, L (Chairman)  
Ullswater, V

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**Memorandum submitted by National Federation of Fishermen's Organisations**

**Examination of Witnesses**

Witness: **Mr Barrie Deas**, Chief Executive, National Federation of Fishermen's Organisations, examined.

**Q170 Chairman:** Welcome and thank you first of all for the written evidence but also for finding time to come and talk to us and help us with our inquiry. I have to go through two formal things. First of all this is a formal evidence session so a transcript will be taken; you will get a copy of that and have an opportunity to make any corrections and iron out any issues. The other thing is that these hearings are all webcast so what we are saying here is going into stellar space and somebody might pick it up somewhere, most likely on the lost planet. Let us proceed, would you like to start by making a general statement and then we can go into a question and answer session, or do you want to go straight into the Q&A?

**Mr Deas:** Only to introduce myself as Barrie Deas, Chief Executive of the National Federation of Fishermen's Organisations, which is the representative body for fishermen in England, Wales and Northern Ireland. That is my day job - that is who pays my salary; I am also Vice-President of Europeche, the European association of fishermen's organisations, and

the Chairman of the demersal working group of the North Sea RAC and I am on the executive committee of the North West Waters RAC and the External Waters RAC.

**Q171 Chairman:** That is pretty impressive; thank you very much. I wonder if I could start by really asking you what you see as the objectives or should be the objectives of the Common Fisheries Policy, how successful is it in achieving those objectives and what are the reforms that you would like to see – fairly simple?

**Mr Deas:** The objectives – I have to start with sustainability of stocks because without that you do not have anything else. There are certain realities that are imposed on our fisheries, by their nature; these are some of the most complex fisheries in the world: multi-gear, multi-species, multi-jurisdiction and so the reality is that we have shared stocks and we therefore need institutional arrangements to manage those shared stocks. Sustainability and a living for fishermen and those who depend on fish landings in my view, (perhaps a simplistic view) should be the objectives. The reforms in 2002 were very much a mixed bag; there were some advantages and some movements forward, particularly in relation to the establishment of regional advisory councils, and there were other items, particularly the road which the Commission have gone down in terms of stock recovery plans that have not been quite so palatable. The central failing of the Common Fisheries Policy was diagnosed some time ago: it is over-centralised, it is almost an Eastern European (pre-the Wall) set of institutions.

**Q172 Chairman:** A bit like the CAP then really.

**Mr Deas:** That is right. It is over-centralised and the DG Fisheries does a good job in extremely difficult circumstances, it is not a huge number of people and yet, as somebody has pointed out, they have got responsibility for fisheries over 40 degrees of latitude and very different kinds of fisheries. That has influenced their choice of instrument, particularly for example effort control – TAC's and quotas and effort control. TACs and quotas are difficult

to get away from because you need to share the cake somehow in this complicated set-up, so they are a given unless you can identify some alternative way of sharing the cake. Effort control has been chosen because it is a way in which Brussels can reach out and theoretically control what happens at sea by limiting the amount of time. I happen to have fairly strong views that that is not what happens but those are some opening and very broad remarks that I would like to make about the CFP.

**Q173 Chairman:** Can we just press you on what you said about effort control, saying that that is not what happens. What do you mean by that?

**Mr Deas:** Effort control is a restriction on the time that a vessel can go to sea, it does not influence what the vessel does when it is at sea. There are a number of responses that vessels can make in order to maintain their earnings when they are pushed for time at sea. They can obtain additional days, buy days, and that is what happens, so that increases the cost to the industry, but an alternative might be to high-grade – in other words the fish that you do catch you keep the highest value ones so it is an encouragement to discard – or you could limit the geographical range of where you fish. In other words you could be fishing in juvenile inshore stocks rather than going a bit further afield, so there are 101 ways in which fishermen can and will react to restrictions on time at sea if they really bite, in order to make their fishing operations more efficient. That could be technical gear, discarding, where they fish, crewing, a whole range, so my argument is that effort control provides an incentive to increase the intensity of fishing when you are at sea and I think that is entirely counter-productive. Iceland had an effort control system for its small boat fleet and they got down to allocations of 80 days a year before abandoning it because they could see that the vessels were, what they call “capital stuffing” – putting in bigger engines so that their steaming time to the grounds was reduced etc but they abandoned it. The Norwegians scoff at effort control because they see it as a substitute for a structural regime that addresses the issue of capacity and, as I say,

the European Commission have chosen effort control because from their point of view it exerts control at a distance.

**Q174 Lord Cameron of Dillington:** You have already stated that it is too big and the European Commission cannot control it all; therefore you suggest that governance should be moved down the line a bit to the fish industry, to the regional advisory councils and to Member States. We are a bit dubious about the efficacy of this and all those levels of governance at a lower level; will they actually impose what is needed for conservation of the fishing stocks? I was wondering whether you could explain really how you see it actually working in practice.

**Mr Deas:** The Commission itself is thinking along these lines; it is struggling and there is a debate within the Commission about how far to go down these routes. I attended a meeting organised by ICES in Copenhagen a few weeks ago; its title was “Reversing the burden of proof in fisheries” and as I understand it the idea would be that the Commission and Member States would set principles and standards and the RACs would be involved at that level as well to find what would be appropriate principles and standards for fisheries, but after that it would be down to industry. There would be a transfer of responsibility to the industry, so instead of having this whole panoply of highly prescriptive rules that are difficult to enforce, difficult to understand – and that is not just the industry, the enforcement side as well find it difficult and highly complex (and leaving aside just for a second what we mean by the industry, at what sort of level) industry groups would submit plans for, say, three to five years, a three to five-year operational plan in which it would specify how it would fish sustainably in line with these principles and standards that have been set. That process would be audited, so the Commission’s role would change from setting the standards, to auditing the process, auditing the paperwork and ensuring that the plans, which might include technical measures or any other include the instruments that were chosen, how they would meet

environmental standards and the whole panoply. And the scientists would audit those plans. To me, from an industry point of view, there are threats and opportunities in all of that, and the idea of responsibility and a less prescriptive system is very attractive, but the big question is who goes to jail when it all goes wrong.

**Q175 Lord Cameron of Dillington:** That is what I was going to ask you about enforcement; how do you enforce this and how do you ensure that the fishermen do not take advantage of the fact, because presumably the fishermen have a majority on the regional advisory councils. Who is to say that in every area they are going to behave responsibly?

**Mr Deas:** I did park the issue of what we are talking about when we say industry. The RACs certainly have a role in helping to define the standards and principles, but it may be that industry groups and voluntary groups of owners – that might be national, it might be international, it may be down to individual vessel level, that is all for discussion, but the principle of moving in that direction is a sound one. We certainly have a lot of work to do on the practicalities but we are not dealing with ideals here, we are talking about looking at a system that we have now that has had a considerable amount of time to work, and whether we continue with highly prescriptive rules imposed from above or whether we move to something that has a lot more flexibility but transfers a considerable amount of responsibility and authority to the industry.

**Q176 Lord Cameron of Dillington:** Can the RACs fulfil this role as they develop?

**Mr Deas:** I do not know the answer to that question. RACs have a role, for example, in developing long-term management plans which would really feed into the standards rather than the lower level; the lower level is really about demonstrating a group of owners' commitment to a particular plan and following through that plan. It has to be at a lower level than the RACs because the RACs' strong points are the involvement of the industry but also

the involvement of other stakeholders, and they provide a forum, but if you are going to have a system in which the industry is taking responsibility then you could not have other stakeholders involved in that.

**Q177 Lord Cameron of Dillington:** In your plans scientists and conservationists would have no say, it would entirely be the local fishermen who say what they should catch. I do not think that sounds a very good idea.

*Mr Deas:* I do not think that is what I am saying and bear in mind that scientists are not formally members of RACs anyway; they are invited along and play a big role and we would have liked to have had them as full members but that was not the way it worked out. The scientists have a role in auditing the process and in writing the plans before that and there needs to be a realignment of the role. Whilst touching on scientists, at the moment their role is largely restricted to pointing and saying “You are getting too close to the cliff edge, you are getting too close to the cliff edge.” A much more constructive role would be for scientists to provide options and say if you want to get to something like maximum sustainable yield, or maximum economic yield, here are some ways of getting there for discussion, that is a much more productive role. That is what the scientists that are currently involved in the RACs want. To answer your questions more directly, the scientists are involved in helping to define the plans and the auditing process and the Commission and the various control authorities in the Member States, the European Fisheries Control Agency, their central role would be the auditing process.

**Chairman:** Let us move on to the economics of fisheries management; Viscount Ullswater.

**Q178 Viscount Ullswater:** In your evidence you have labelled TAC’s as being a very blunt instrument, and yet you have also said that any alternative system would need to offer a similar distributive mechanism. You have just said to My Lord Chairman that the effort

control is one that has proved to be non-viable and you gave evidence from Iceland and from Norway, so if you are looking at more of an outcome system to deliver sustainability and to maximise economic returns, how do you see that being controlled and are there some management tools which need to be devised or relaxed in order to make that happen?

*Mr Deas:* We are stuck with TACs and quotas because I cannot see an alternative way of sharing the cake out. We can dispense quite happily with effort control, particularly as across Europe we are moving towards a situation where there is a much higher degree of compliance. Effort control was introduced to underpin TACs and quotas because there was large-scale black fish; that era seems to have come to an end and therefore the fundamental rationale for effort control is not there. The instruments are long term management plans that would define where we want to get to, but the more detailed instruments and measures under the scenario that I described earlier would be for the industry to define the detail, so that instead of saying what size holes should be in your net you would say, as part of your plan, “I will be using these kinds of gears that will deliver this level of selectivity.” If a group of fishermen want to use effort control restrictions on their time at sea voluntarily, who am I to say no to that; my problem with that is using it as a broad, long-distance restriction. If we are thinking about 2012 and the reform of the Common Fisheries Policy and what might replace the current arrangements, those are the kinds of ideas that we need to explore.

**Q179 Viscount Ullswater:** You have to accept that TACs are there, the quota is there.

*Mr Deas:* Yes.

**Q180 Viscount Ullswater:** Yet what you are saying is that it should be much more flexible in the long-term management plan; you have a basis of quota allocation and yet you can operate within a more flexible arrangement of quota, or does quota have to be absolutely distinct for each Member States, each fishery or whatever it is?

**Mr Deas:** There are different levels of question there. I was making the assumption that we would continue with the principle of relative stability and the level of TAC would continue to be set on a broader level, but in terms of how you take that quota and the instrument you use – we are talking here about the technical conservation regulation, effort control, how you meet environmental objects, that is the kind of item that could be included in annual or bi-annual or tri-annual operational plans.

**Q181 Viscount Ullswater:** Can I just continue with this a little bit? Are you suggesting that there will be no need for an annual Council meeting in December to decide on TACs year after year, that somehow TACs will evolve in a sustainable way that does not need this precise decision-taking? Do your long-term management plans include the flexible quota system according to the science and according to the monitoring of the fish caught, according to the selectivity of the fisheries and how competent the fishermen are at delivering the sort of fishery management that you are talking about?

**Mr Deas:** With the exception of a few short-lived species the fact that we have annual quotas and the science cycle works on an annual basis is entirely superfluous. There is a huge amount of effort involved in turning the wheel every year to churn out these figures, and bear in mind that 50 per cent of the stocks that we are talking about here ICES consider the level of data insufficient to call them analytical TACs. That is a large number and of even those that are analytical, there are quite a number of those that we would have concerns about, and we can perhaps talk about the science a little later. It would be much more preferable to just concentrate on a particular stock or group of stocks in mixed fisheries: where are we now, where do we want to be and how do we get there in an incremental, phased, way, and then the plans would be matched to that. There are different levels that we are talking about here but apart from a few stocks I do not see the need to have annual TACs. With the nephrops stocks, for example, we are already on a two-year cycle and that principle could be developed.

**Q182 Baroness Jones of Whitchurch:** What proportion of the fish that are caught come from mixed stocks roughly – is it 20 per cent or 80 cent?

*Mr Deas:* With white fish stocks you would have to say the majority, the vast majority, there are very few pure white fish fisheries. With the pelagic species of herring and mackerel, which in tonnage terms is very large, that is much more of a single species. As you move up to the North, North Norway Barents Sea cod, that becomes a much cleaner fishery, but down where we are the demersal stocks are highly mixed. Nearly all the time when we are talking about demersal stocks we are talking about very mixed fisheries to some degree or other.

**Q183 Viscount Ullswater:** Perhaps I should just round off the economics side and ask you whether you feel that there is a role for the rights-based approach to fisheries management?

*Mr Deas:* Yes. In the UK we have gone quite far down that road already with fixed quota allocations and if a fisherman wants to buy quota he can buy quota. There is an issue about legal title and whether ultimately ownership resides with the Government as a public resource, so there is a debate to be had about that but actually we have gone quite far down the road of quota trading, not in a particularly planned way, I think it developed inadvertently; there were a number of changes to the management system and we realised we had tradable quotas without anybody specifically arguing that that is the direction we should go in. It is there, it plays an important part and on the whole the industry, with the exception of the under-ten sector, is content with the arrangements that are there. There is certainly some need for fine-tuning, but after the introduction of FQAs (fixed quota allocations) the amount of grumbling about quotas and allocations evaporated because if a fisherman wanted quota and he could afford it, he could buy it.

**Q184 Viscount Brookeborough:** Just before I turn to the scientific question you and other witnesses have spoken about net technology if you like and the developments in avoiding

catching certain species. That has been spoken about for years; has this technology advanced or why do we not have better results when the actual fish species have not changed? On a previous inquiry we were shown lots of new technology like windows, different compartments where different fish might be found and the net could open and let them out. What has been the improvement (if any) over the last 15 years or why are we still talking about letting the same species out of the net as we were then?

*Mr Deas:* There has been development and I am sure there will continue to be great improvements in selectivity. The problem has been in providing the right kind of incentives to encourage the uptake, and here there is a link between the last question and this question which is why we have advocated cod avoidance plans that would provide an exemption from the days at sea regime. If you put forward a plan how you were going to operate in the coming year that might include selective gear, amongst other things. For example, there is a new net that has been designed in the United States called “the Eliminator” – pause for laughter – which eliminates cod in your catch. In the past it has been relatively easy to release whiting and haddock because when they go into a net they swim upwards and you have a square mesh panel at the top and they escape. Cod is more awkward because of their size, they have big bodies, and they react in a net on the whole by swimming downwards. This net addresses that particular behavioural pattern, so there are technical developments there but in my opinion the full advantages of selective gear have not been fulfilled to their optimum which is why I am very keen to explore how you can put arrangements in place that encourage their adoption and use. It is more of an economics and incentives issue than a technical issue, the technical development will continue.

**Q185 Viscount Brookeborough:** Thank you very much. We will now move on to scientific analysis and you have already spoken just a little bit about it and we understand that there is a great deal of uncertainty in the scientific analysis. What is your opinion of the methodology

and do you think they can improve it without putting so much more money into it that it is counterproductive on the fishery industry. Would you also comment on the success or the progress of joint initiatives between fishermen and scientists when we are led to believe that definitely in years past they were streets apart and could not possibly agree or get together; is there some progress on this?

**Mr Deas:** On the question of uncertainty there is a joint recognition by the industry and the scientists that there are large areas of uncertainty and there is a new commitment to do something about that. Later this year we are to meet and establish what are called data workshops that will begin to introduce knowledge that is held by fishermen about the stocks in a systematic way. Fishermen have always had opinions about the stocks, but they have tended to be dismissed as anecdotal if not self-serving sometimes, and the challenge is to find ways in which that information can be captured and fed into the system to supplement the more conventional methods based on official landing statistics and surveys. Landing statistics as a pillar of the stock assessments were corrupted to a very high degree by black fish and a very destructive cycle evolved in which black fish led to poor information, led to more stringent TACs, which led to economic pressures, more black fish and more poor information and the whole cycle went round. That should be improving now – the scientists tell us that it is improving – but even granted that and also taking into account that the science tends to be retrospective, tends to be a couple of years out of date. Fishermen are experiencing in real time what is happening to the stocks, all of that can be fed in in a collaborative way if we can find the ways to do it. A lot of this is about trust and confidence, so at the RAC level both the North Sea RAC and the North West Waters RAC are heavily involved in efforts to improve the quality of the assessments of the stocks that they are involved in. One idea that has been put forward and seems to be finding favour with ICES is a traffic light system so that when ICES is fully confident with its assessment then it gets a green light, if there are real problems

there is a red light and then something in between. That will help direct us and our efforts to the stocks that really need to be addressed. On the second part of your question about collaboration, there was a big breakthrough just after 2002 when the Government agreed with our suggestion that fisheries science partnerships should be established where CEFAS and the industry jointly define a particular problem, jointly gather the data and do the respective analysis. That has been so successful that we now have a time series in particular fisheries that are now being taken into account by ICES. As a model it has been adopted elsewhere in the UK and in Europe and it has transformed the relationships between fishermen and scientists which had previously been restricted to an annual very controversial meeting in the autumn when the scientists said these are the results of our work over the year and your quotas are going down. You can imagine the kind of reaction that that gave, but this brings fishermen and scientists into collaboration aboard the commercial fishing vessels; it is shared work and shared results and there is a sense of ownership of those results throughout. That is a model for many areas or fisheries where sworn enemies can work together.

**Q186 Viscount Brookeborough:** Is that one area where either side doubts the other's credibility because they are simply not monitoring the same areas at any one time because the scientists include not necessarily one fishery but it could include one and a half other fisheries. We were told by a witness earlier that the area the scientists operate in is not the same as a single fishery and therefore when they do not agree with each other they say well of course the statistics do not really come out of the area that we are in?

**Mr Deas:** I can see the argument, which is that ICES squares are at too broad a level and you need a lower level resolution, and that is where fisheries science partnerships can contribute, providing seasonal data and lower level resolution data and feed that in to the process. Indeed, that is what some of the time series impose and the fisheries science partnerships do.

**Q187 Chairman:** Can we move on to discards, and let us say that on discards there is recognition that a total ban is never going to effectively happen and there will always be a degree of discarding, that the Norwegian ban is a pragmatic ban and most likely could not be applied in the context of the United Kingdom. Taking the large margin of error associated with fish stock prediction that the science comes up with, there is at the moment a real problem of the fishermen putting his net in, pulling out fish for which a TAC exists but he does not have quota for and so that is discarded. That seems to be the most offensive element of discard.

*Mr Deas:* Yes.

**Q188 Chairman:** How can we remove that problem?

*Mr Deas:* I agree with your opening remarks and the solution has to be fishery by fishery, but again I come back to the idea – and this is an idea that has been advanced by our Federation – of cod avoidance plans. Really what you are talking about there is avoiding catching cod over and above your legitimate quota because at present, as I explained earlier, the incentive can be to go out, catch what you catch and then throw overboard the lower grades in order to maximise your income. A cod avoidance plan would be incentivised through an exemption to days at sea, and that means money, because if you are a white fish boat you can only be viable if you buy extra days so there is a direct financial incentive. That could be in a variety of ways, it could be using the Eliminator net that I described, for example, more selective gear, or it could be through spatial avoidance, in other words fishing in grounds where you know there is a high probability that there is low cod, or it could be a whole mixture throughout the year, it could be a mixture of those reasons. We prepared a draft pilot cod avoidance plan for a particular vessel out of Whitby. Over the year that vessel was involved in five separate fisheries: it started fishing for whiting, it then moved to the Norwegian sector targeting saithe and pollock, it then moved to a nephrops fishery that had some cod by-catch and then to a

relatively clean nephrops fishery and finished the year targeting haddock. It had about 100 tonnes of cod, partly pooled, partly purchased, and the plan defined how that vessel would operate to ensure that it did not catch more than its legitimate quota. If, for example, when it was in the Norwegian sector it caught more than the expected 11 per cent of cod, then it would move to the next fishery in its portfolio of catching opportunities earlier. Temporal, spatial, gear adaptations were all part of that, and that is probably quite a complicated one, you could have a fishery that was just following the same kind of pattern throughout the year or maybe a couple of fisheries winter and summer, but that gets the general idea across. Probably the question that you are going to ask is okay he has a plan but how do we know he is following his own plan? There has to be an element of observer programme in that and the vessel operators would be willing to accept that. An alternative may be something like CCTV attached to the winch which is used in some NFFO fisheries at the moment. CCTV applied by the state smacks of big brother, but as a cheap alternative to having an observer on board might be a bit more of an attractive option.

**Q189 Chairman:** It might close down at critical periods though, might it not?

*Mr Deas:* We have to take all of these things into account, but the same thing can be said about VMS, there is nothing that is foolproof, you have to look at the balance of these things.

**Q190 Chairman:** Is there a way though if I bring up haddock and I have not got a quota for haddock but there is haddock quota being held by either my PO or somebody else's PO, is there a mechanism that means that either there or then or once I have landed I buy quota to cover my catch?

*Mr Deas:* That happens.

**Q191 Chairman:** Is that happening routinely?

**Mr Deas:** Yes. What you have got to remember is that what you are talking about there are the quota rules but then the catch composition rules, the technical conservation rules, require you to have your catch composition in terms of the species aboard right after 24 hours. If you have gone out and caught too much whiting or too much cod or whatever in your first 24 hours, you are then supposed to discard that and then go fishing for it again later in the trip, there is an inherent madness about that.

**Chairman:** We are all speechless.

**Q192 Baroness Jones of Whitchurch:** Why do you not do what the Chairman was just talking about where you agree what happens in those circumstances; why do they not get on the phone or get on the radio and start trading?

**Mr Deas:** That is okay when you land, but if you are boarded at sea and you have your catch composition wrong you are prosecuted.

**Q193 Baroness Jones of Whitchurch:** You can only do that trading when you land.

**Mr Deas:** Yes. If we were allowed to have our catch compositions right just as we landed that would not be a problem, but at the moment after 24 hours – the Navy can board you and say your catch composition is wrong for the mesh size that you are using. It is interesting that earlier this year in Dublin there was a meeting on technical conservation and the Commission's presentation was very illuminating because it was highly critical of the current regulation and how we could have got in the position where we are discarding to meet catch composition rules when Commissioner Borg has got this initiative to reduce discarding. It is why, I think, I have come around to the view that the idea of moving away from highly prescriptive rules like that that create perverse results as I have just described has to be one of our objectives.

**Q194 Chairman:** What is the rationale for the 24-hour catch composition requirement?

*Mr Deas:* Instead of having legal and illegal mesh sizes you could use any mesh size but then you would have to have your catch composition to justify using that. That was the rationale which we argued against at the time, but unsuccessfully.

**Q195 Viscount Ullswater:** In your evidence you say “it should not be forgotten that 60% of cod is caught as a by-catch”. To us that is a terrible waste of a very marketable fish, but is it a waste, is that what you are saying?

*Mr Deas:* It is by-catch but it is not discarded. You might be targeting haddock or saithe and small amounts are caught across a whole range of fisheries; you just need to be careful how you interpret that, it is not being discarded. Nevertheless, the industry certainly talked about 40,000 tonnes of cod in the North Sea being discarded; I do not know if that is the correct figure but certainly that is what was being discussed last year and that seems to be entirely counter-productive to a recovery plan.

**Q196 Lord Palmer:** Would you be able to give us the accurate figure?

*Mr Deas:* No.

**Q197 Lord Palmer:** Because you do not know what has been discarded.

*Mr Deas:* It is hearsay.

**Chairman:** We weigh it before we discard it. Let us go on to control and enforcement; Lord Palmer.

**Q198 Lord Palmer:** You were in the audience when I asked Mr Armstrong this same question. “Black fish” in the system seem to have been pushed right into the margin and illegal fishing does not seem to have been a problem since the year 2005. To what do you

really ascribe this success and what do you consider to be the key pillars of any revised EU control and enforcement regime?

**Mr Deas:** I agree with Bertie Armstrong that the buyers and sellers registration has produced a remarkable turnaround and that is reflected in not only the rising price of fish but the rising price of quota. The fact that the black fish has been extinguished and therefore to cover legal landings a vessel requires more quota and so that pushed the price up, which is a very good indicator I think as well as the official statistics. What should be the pillars of an EU control policy? It is worth recalling the *Net Benefits* report – I do not agree with everything in it but I thought on the whole it was a quality document. The part of that document that I thought was most illuminating was something called the fisheries management jigsaw – it is a jigsaw because all the pieces interlink – and it said that for a successful management policy you need capacity broadly in line with resources, you need the fleet to be profitable, the management needs to be based on good information, and that includes fish stock assessments, and there needs to be a high level of compliance because if there is not a high level of compliance the system is broken. The *Net Benefits* report was talking about the UK but you could equally apply those to the EU: you are not going to get good compliance if you do not have capacity broadly in line with resources, which is almost the same as saying profitability. If there is a huge gulf in perceptions about the stock you have compliance problems as well – if the fishermen disagree profoundly with what the science is saying – and all of those things come together and develop in a culture of compliance where fishermen take responsibility for the resource that they depend on. Again, it is a jigsaw because you cannot have one of those in isolation, they all feed into each other and are linked to each other.

**Q199 Chairman:** Let us just summarise the business on structural policy. You say no to efforts and you prefer capacity reduction; the question I suppose is, what is the most effective

way of managing capacity reduction? Straightforward decommissioning is not a one-for-one relationship.

**Mr Deas:** No, it is not but then again neither is effort control; you think you are doing one thing and the result is something else. Decommissioning does work. It is not one-to-one but the reduction in the English fleet from 1993 onwards and in the Scottish fleet from 2001, when there was a substantial reduction in capacity and effort – a 67 per cent reduction in effort – in the North Sea has been a major contributor to the reduction of fishing mortality on cod and therefore a contribution to the recovery of cod at sea. I do not think decommissioning is perfect, but none of the instruments that we are talking about here are. I would also add that to my knowledge the Irish have a white fish decommissioning scheme in the pipeline; the Dutch have taken out a significant number of their large beam trawlers through decommissioning; there is a decommissioning scheme proposed in France as part of this financial package; the Spanish have reduced the size of their fleet through a fleet modernisation scheme – they have taken a lot of capacity out but put new capacity in, which is a way of doing it – the Danes were actually the first to undertake major decommissioning, going well back before 1993, so it would be entirely false to think that decommissioning has only taken place in the UK, there have been substantial decommissioning schemes elsewhere and I think that needs to be taken into account.

**Q200 Chairman:** There is a hard question lurking there, is there not, which is really why should the taxpayer be expected to fund a scheme that makes the industry more economically efficient and effective but improves the returns for those who remain in the industry?

**Mr Deas:** The public increasingly has an interest in the marine environment and fisheries are an important part of that, and the right size of fisheries is not just therefore something that should be laid at the fisherman's door; there is a public interest in getting it right. Also, had Government intervened early enough to put the proper licensing arrangements in we would

not have seen the over-capacity during the Gadoid outburst outburst during the 1970s and 1980s, along with subsidies, that fuelled the expansion of the white fish fleet that really underpins the problem with the stocks that we have been dealing with over the last few years.

**Q201 Baroness Jones of Whitchurch:** Following on from the decommissioning issue what has been the socio-economic impact of that? I can remember seeing on television in the seventies and eighties people saying “You are going to wreck our communities if you cut the quotas” et cetera et cetera, but what has actually happened to those, particularly the very isolated communities where they have had decommissioning. Have they found other jobs or have they been neglected?

**Mr Deas:** The short answer is that I do not know. Socio-economic is that kind of word that is bandied around, but we do not really know, I do not think there is anybody collecting information on where crew from decommissioned vessels have gone. Socio-economic is a word that the Commission reads in one way which is that whenever they see the word they think “Here is an argument for us not to take the kind of measures that we need to take to put things on a proper footing”, it is an excuse kind of argument. I see the economic dimension as an integral part of whether management measures work or not, whether they provide the right kind of incentives, so we are really talking there about understanding it in terms of a result-based approach. There is pitiful little socio-economic data gathered and it is one of the reasons why the North Sea RAC has established a working group to at least begin to gather that kind of information, and it is one of the responsibilities that the Commission certainly expects RACs to perform, to feed in these kinds of socio-economic dimensions.

**Q202 Chairman:** Let us finish where Mr Armstrong finished. You have talked about rights-based managed and you heard Mr Armstrong’s concern that ITQs would lead basically to an

international market and he used the phrase “would not necessarily be in the interests of Great Britain Plc”. What is your view?

**Mr Deas:** My view is that there is a contradiction between national quotas and the treaty obligations on freedom of movement of labour and capital and the right of establishment, which is why this country got into deep water with the European Court in the *Factortame* case. Post *Factortame* it is clear that if fishermen from another Member State wish to buy quota in this country they can, as long as they comply with the economic links. We already have a pretty open system and it is interesting that the Anglo-Dutch and Anglo-Spanish, which are the main fishermen from other Member States that have bought quota, have bought quota on the stocks that they are interested in, so for the Spanish it was hake, megrim and monkfish and for the Dutch there was a big surplus in the UK at one time of North Sea plaice. Beyond that you do not see either the Dutch or the Anglo-Spanish pushing further and further. That is not to say that other interests might not come in in the future; if you have an open market that is what you have to accept. The fear is that as time goes on you would see an erosion of quotas held by the traditional UK fleet, but I think in the NFFO we were undoubtedly one of the strongest arguing for measures to restrict quota-hoppers. Post *Factortame* we have taken an entirely different view and say it is an open market, and in fact we have Anglo-Spanish and Anglo-Dutch members of our organisation now because we took the view that some of our members were trading quota or leasing quota with these interests and it is entirely hypocritical therefore not to have them in membership of a national organisation where we can talk about the issues and share perspectives. We found them to be very responsible, serious people and so I have a rather different view from Bertie Armstrong, reflecting our different experiences. Ultimately what it boils down to is the judgment in the European Court and the subsequent exchange of letters between Tony Blair and Jacques

Santer that defined the limits of what a Member State can do in terms of requiring economic links.

**Chairman:** Thank you very much indeed. I do apologise that as we have ended we are down to a relatively sparsely-attended meeting, but from my point of view it is quite nice because where I sit the whole right wing has disappeared. Thank you very much.