

RURAL DEVELOPMENT COMMITTEE

Tuesday 10 September 2002

Session 1

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RURAL DEVELOPMENT COMMITTEE

19th Meeting 2002, Session 1

CONVENER

*Alex Fergusson (South of Scotland) (Con)

DEPUTY CONVENER

*Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)

COMMITTEE MEMBERS

*Rhoda Grant (Highlands and Islands) (Lab)

*Richard Lochhead (North-East Scotland) (SNP)

*Mr Jamie Mc Grigor (Highlands and Islands) (Con)

*Mr Alasdair Morrison (Western Isles) (Lab)

John Farquhar Munro (Ross, Skye and Inverness West) (LD)

Irene Oldfather (Cunninghame South) (Lab)

*Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD)

*Elaine Smith (Coatbridge and Chryston) (Lab)

Stewart Stevenson (Banff and Buchan) (SNP)

COMMITTEE SUBSTITUTES

George Lyon (Argyll and Bute) (LD)

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP)

John Scott (Ayr) (Con)

*attended

THE FOLLOWING ALSO ATTENDED:

Tavish Scott (Shetland) (LD)

WITNESSES

Danny Couper (Scottish Fish Merchants Federation)

John Farnell (European Commission Fisheries Directorate-General)

George Hamilton (West of Four Fisheries Management Group)

Darren Kindleysides (Scottish Environment LINK)

Roddy McColl (Fishermen's Association Ltd)

Mike Park (Scottish White Fish Producers Association)

Alex Smith (Scottish Fishermen's Federation)

Robert Stevenson (West of Scotland Fish Producers Organisation)

Andrew Tait (Scottish Pelagic Fishermen's Association)

ACTING CLERK TO THE COMMITTEE

Tracey Hawe

SENIOR ASSISTANT CLERK

Mark Brough

ASSISTANT CLERK

Jake Thomas

LOCATION

Committee Room 1

Scottish Parliament

Rural Development Committee

Tuesday 10 September 2002

[THE CONVENER *opened the meeting in private at 11:07*]

12:10

Meeting suspended until 14:01 and thereafter continued in public.

Common Fisheries Policy

The Convener (Alex Fergusson): I welcome members of the press and the public to the Rural Development Committee's meeting and I particularly welcome Tavish Scott as a visiting member. We have received apologies from Irene Oldfather. As always, I ask everybody to check that their mobile phones are switched off.

The committee is taking evidence on the European Commission's proposals for reform of the common fisheries policy. The main proposals are contained in several documents that the Commission issued in May. We intend to take evidence from the European Commission and from several bodies that have interests in the Scottish fishing industry. Next week, we will take evidence on the proposals from the Minister for Environment and Rural Development, Ross Finnie. We hope that any recommendations that we make will be considered by various bodies that are involved in negotiations on the proposals during the autumn months.

First, I welcome John Farnell, who is the director of conservation policy at the fisheries directorate-general of the European Commission. He has come over specially to be with us and we are grateful to him for taking the time to do so. We are delighted that someone who was directly involved in producing the proposals is attending to give evidence. I invite John Farnell to make an opening statement before we open the meeting to members' questions.

John Farnell (European Commission Fisheries Directorate-General): I thank the committee for the opportunity to present evidence on behalf of the European Commission. Reform of the common fisheries policy is an important issue for Scotland and the whole European Union. The Commission has reached the conclusion that our present fisheries policy does not work and will not work without substantial change. Only significant change in the way we manage our fisheries will

ensure that the resources, and the industries that depend on those resources, survive. It is clear to us that the stakes in the debate are very high.

I assume that members of the committee have had time to look at the rather large package of proposals for reform that were adopted by the EC on 28 May. I do not propose to run through every aspect of that package in detail this afternoon. In the next 10 minutes, I will summarise what we see as the key elements of the Commission proposals for reform and explain why we are making the proposals. That means that I will inevitably skate over some details that might be of interest to members, but I will be happy to pick those up in questions.

Just before I go through the five key elements of the reform package, I would like first to emphasise that we see the package as being comprehensive. We want to address every aspect of fishing activity: management of resources; management of the fleet; environmental aspects; economic and social aspects; international and domestic fisheries; and aquaculture.

Secondly, we want the reform of the common fisheries policy to be coherent. We would not want to do things in one area of fisheries policy differently from how we would do them in another. We wish to apply the same guiding principles throughout the policy. That implies, for example, a commitment to sustainability, competitiveness and sound economics in the fishing industry. It also implies openness and participation by interested parties in the management process and a commitment to compliance with common rules.

What is the Commission proposing and why? As I said, I would like to underline five key areas. First and foremost, we propose to adopt a new approach to fisheries management based on the gradual adoption of multi-annual management plans for all the main Community fisheries. Those multi-annual management plans would be founded upon recommendations from science about sustainable exploitation. They would spell out clearly a strategy to be followed for a number of years in respect of exploiting the fish stocks. Those targets might be expressed in terms of the size of the stock that we wish to achieve, or the rate of its exploitation—the fishing mortality rate.

The management plans would also have detailed rules that would predetermine the way in which the subsequent annual decisions about catch levels or fishing effort would be taken. In other words, we want the Community to say clearly where it wants fisheries management to go over the medium term and how it proposes to get there.

In many, but not necessarily all, of those cases, the Commission also considers that limitation of

fishing effort—the time that is spent fishing by fishing vessels—will have to be an integral part of the multi-annual management plans. In our introduction to the proposals, we say that fishing effort limitation should

“gradually become the prime management instrument for mixed fisheries.”

We see no other way in which different fisheries—demersal fisheries in particular—in Community waters can be managed in the long term.

There are other aspects to our conservation policy that I will mention in passing before going on to the next key point. We wish to come forward with an action plan to reduce discards of fish, which will probably imply further improvement of technical measures to increase the selectivity of fishing. We want to look more closely at the impact of industrial fishing on marine ecosystems, and we want to propose ways in which we could improve the quality and quantity of scientific advice for fisheries management. We also have to consider how we can improve the level of human and financial resources that are devoted to the scientific advice on which management must be based.

The second key element is a new approach to management of the fishing fleet. We propose to change radically the way in which fleet capacity is managed at Community level, and the way that public funds are used to support the fishing fleet.

Our first priority—I have mentioned it already—is that we should as a Community be more concerned with managing fishing effort than with managing the details of fishing capacity or the size of the fleet. We are concerned with how and how much the vessels are used, rather than with how many of them there are.

We propose to do away with detailed monitoring of capacity limits by individual fleet segments. The only future obligation would be for member states to keep their overall fleet at its present size by means of a simple 1:1 entry-exit ratio.

The main driver for reduction of the fleet will no longer be Community legislation with targets for capacity to be achieved at the end of a given time; rather, it will be the economic consequences of having to live with fishing effort limits. We believe that much of the fleet will decide to move out of fishing because it will be difficult for vessels to remain profitable with some of the fishing effort limits that might be necessary for conservation.

Our other main proposal is to concentrate public funds on making it more attractive to take fishing capacity out of the fleet and to stop using public money to put more fishing capacity into the fleet, which has been Community policy for at least 10 years. We believe that we should now scrap aid

for modernisation and new vessel building, except for safety-related modernisation for smaller vessels; that is to say, the inshore fishing fleet. We know that that proposal is deeply unpopular in some member states, but we see it as a key test of how serious the Community is about properly managing its fisheries resources.

A third element of reform concerns access to waters. We propose that the Community continue to limit fishing access in coastal waters to local vessels and to vessels that enjoy historical rights. Within the 12-mile limit, we propose that there should be no change from present arrangements. Beyond that limit, however, we believe that there should in principle be open access for all Community fishing vessels, subject to any particular conditions that we might decide to apply in future for conservation purposes within the multi-annual management plans. That is why we propose next year to examine the conservation case for maintenance of the so-called Shetland box, which limits the number of large vessels around the Shetlands, in order to assess whether those measures should be kept in place beyond the end of 2004. If, as the Commission strongly hopes, the Community agrees on general fishing effort limitations as part of multi-annual management plans, we will have to consider whether there is a serious conservation case for maintaining other quantitative limits on vessel numbers in particular areas, such as the Shetlands.

As far as access to fishing resources is concerned, the Commission proposes that the principle of relative stability continue to apply as the basis for allocation of quota. However, we have suggested two new elements that are not in current practice. The first is that allocation keys would be clearly fixed by the Council in a regulation, so that all parties would know how we would propose to allocate fisheries resources for the foreseeable future. That regulation would also deal clearly with the way in which special conditions, such as the so-called Hague preferences for allocation, would be applied.

The second change from current practice is that we propose that those allocation keys be subject to periodic review—say every five years—in order to ensure that they correspond to real fishing interests, as opposed to interests on paper.

My fourth key element is better enforcement. We believe that, although every member state and its fishing industry appears to agree on the need for fairer and more effective enforcement of Community fishing rules, we will have to see how far member states are prepared to go to achieve that objective. We have set ambitious objectives in the reform proposals. Those objectives are necessary to create a climate of confidence in

which fishermen believe that the same rules are being enforced in the same way throughout the European Union.

What are our proposals? We are looking for more uniform rules, more uniform inspection procedures and practices, and more uniform penalties for non-compliance by member states. We are looking for closer co-operation between enforcement agencies in the member states, possibly leading—in the longer term—to a joint inspection structure in which multinational inspection teams could operate in any Community port or waters.

14:15

We are looking for stronger powers for Community inspectors to make unannounced visits in member states and to enter all relevant premises for control purposes. We seek admissibility in national courts of evidence from non-national inspectors—from inspectors from other member states. We are looking for provisions for penalties for any member states that do not deliver on their control obligations under Community law.

Some people have described that agenda as repressive and draconian; I say that our objective is, on the contrary, to ensure that the present level of enforcement in some member states is exported and spread around the Community to apply in others. In other words, we want to generalise existing best practice and to ensure comparable treatment.

The final key element is changes in governance. Governance is a slightly modish word; I interpret it as meaning the way in which we take decisions on fisheries. We believe that that aspect of governance involves the question of participation of interested parties in the management process, as well as questions of efficiency and rapidity of responsiveness in Community fisheries management. It is generally acknowledged that there is simply not enough participation in the management process.

The CFP has been criticised frequently for being over-centralised and opaque in its decision making. That happened as recently as last June, with the political agreement that was reached on deep sea species. The Commission believes that the reform policy will succeed only if stakeholders are more involved in the preparation of decisions, but that can happen only if we change our procedures and our structures at Community level.

As a start, we have proposed the creation of advisory bodies—the so-called regional advisory councils—to bring industry and other interests together at regional level to assist in the development of proposals for fisheries

management, whenever two or more member states think that that would be a good idea. Those regional councils would be consulted about all Community management measures for the area concerned and they would always have the right to take the initiative and make their own suggestions to the Commission for improvements in fisheries management. The Commission would not have to follow the advice or recommendations of those councils, but it would have to explain itself whenever it chose not to follow advice. That would be a major step forward in transparency.

Although the advisory councils would not have decision-making powers, we believe that their very existence would shift the centre of gravity in consultations about fisheries policy development from Brussels to the regions in which fishing takes place and in which the policy has to be applied. The debate between fishermen, officials, scientists and those who are concerned with the environment would become more decentralised, even if the final regulations and legal decisions would continue to be made by the European institutions. That would provide greater access to the management process for more stakeholders than is possible today.

I want to mention two other issues that arise on the subject. The first is our proposal that coastal states be entitled to regulate all fishing activity within coastal waters up to 12 miles. In other words, the coastal state would be regulating in respect of non-national vessels as well as national vessels. That would bring the management of coastal waters largely back to the member states, where we believe it belongs.

Secondly, we propose to throw more light on member states' compliance with their obligations through a so-called compliance score board. I will not bore members with the details, but we intend to use that to create peer pressure on member states to improve their compliance with their obligations.

My opening statement was slightly longer than I intended, but I would like to underline two key ideas from our package of proposals. The first is sustainability. The only future for the European fishing industry is based on sustainable exploitation of fish stocks. That probably means severe reductions in fishing effort in some fisheries and a reduction in the size of the fishing industry in Europe. That is hard to accept, but if we are serious about fisheries management, that is what the debate is about.

The second key idea is better governance. We want to bring fisheries management closer to those who are affected by it and to decentralise as much as possible the preparation of fisheries policy in Europe. That may not console the fishing industry, which might see the prospect of cuts in

its activity, but I hope that that shows that we are interested in involvement and in management that is based on as much consensus as possible.

The Convener: I thank John Farnell for covering a massive topic in a relatively short time and for categorising it well. I will go straight to questions, because there are many.

Richard Lochhead (North-East Scotland) (SNP): I thank Mr Farnell for his evidence, which is crucial to Scotland. We have waited for decades for the review of the CFP to come around, because fish stocks off Scotland and fisheries-related employment have declined under the policy.

I welcome Mr Farnell's recognition of Scotland's role as a fishing nation. In that light, it is unfortunate that when Franz Fischler made his formal visit to the UK to discuss the CFP after the proposals were announced, he went to London, which is not renowned as one of the UK's biggest fishing ports. Two thirds of the UK's fishing industry is based in Scotland. It would help if Franz Fischler visited Scotland to discuss such matters.

Scotland wants protection of its historic fishing rights from the CFP review, as well as decentralisation of such matters. I will concentrate first on the protection of Scotland's historic fishing rights and on relative stability, which is a founding principle of the CFP. Much concern was caused in Scotland when the Commission referred to relative stability in its road map and the regulation.

In the road map, the Commission says that it wishes to

"gradually create a climate that will be more favourable to the introduction of more normal economic conditions and the elimination of such barriers to normal economic activity as national allocations of fishing possibilities and the principle of relative stability."

I am sure that I do not need to go into detail as to why that set alarm bells ringing in Scotland. Will you outline the Commission's agenda on relative stability? Does the Commission wish to scrap Scotland's historic fishing rights, now or in future? Does not a good case exist for enshrining the principle of relative stability in the regulation, to give comfort to Scotland that our fishing rights will be protected and that we will continue to be able to fish the stocks off our shores under the CFP?

John Farnell: The reply to Richard Lochhead's most direct question is that it is certainly not the Commission's intention to scrap historical fishing rights. It is clear from our proposals for future regulations that we consider relative stability to be the criterion for allocating fishing rights for the foreseeable future.

It is true that the road map says that relative stability should not and need not be the basis for

managing the allocation of fishing rights for ever. Implicit in that comment is the idea that the fishing sector, like every other economic sector in Europe, must be based on competition. However, given the present situation in the fisheries sector and other factors that we mention in the road map—such as some coastal communities' continued dependence on fishing, the continued structural imbalance and different attitudes among member states to competition and to the role of state aid in the sector today—we see a strong case for saying that exposing the fisheries sector to the normal competition rules that apply under Community law would be unreasonable.

It is not reasonable to expect the Commission to say that that abnormal state of affairs should remain indefinitely. Although relative stability is not forever, it will be the criterion for the allocation of fishing rights for the foreseeable future, under the basic regulation for the policy. We are committed to starting a debate next year that will involve the industry, academics and Administrations about the possibility of using market forces more widely in fisheries management. I stress that that will be a debate and, in a sense, it will be an academic exercise, on the basis of which the Commission will produce a report for the Council. That debate should not be taken to indicate that the Commission will propose a fundamental change to the way in which we allocate fishing rights in the foreseeable future.

The Convener: Before Richard Lochhead asks another question, I point out that I am happy for members to use their first question to make a point but, for the sake of timing, it is to everyone's benefit if supplementary questions are kept as succinct as possible.

Richard Lochhead: It is clear that Scotland has a battle on its hands to persuade you, but is it possible or feasible to enshrine in the regulation the relative stability principle?

John Farnell: Article 20 of the regulation states clearly that the allocation of fishing rights will be done on the basis of relative stability. Other parts of the regulation are up for review in 2008, but article 20 is not. As far as the eye can see in the legal framework, the proposal that is on the table is that the allocation of fishing rights should be based on relative stability.

Richard Lochhead: My final question relates to the gravity of decision making. I think that you said that the locus would shift within fisheries decision making with the creation of the regional advisory councils. You will appreciate that decentralisation is a number 1 priority for the Scottish industry. You also mentioned the recent controversy over the deepwater fishery deal, which caused fury in Scotland and in the Scottish Executive. Does not the European Commission's unwillingness to take

account of the science strengthen the case for decentralising decision making in the CFP and for giving real power, rather than consultative power, to the regional advisory councils? Is not it the case that the proposals that you have outlined do not shift decision making from the European Commission to fishermen?

John Farnell: The proposals do not imply a shift in decision making, but they will change fundamentally the conditions under which decisions will be taken. The proposals will commit us to consulting the regional advisory councils on proposed management measures and the science that is behind them. I am confident that the industry will take the opportunity to scrutinise the science; indeed, we want independent scientists to be members of the councils. Prior to the formulation of Commission proposals, there will be an open debate in the regions. At the end of the day, the Commission might not wish to follow to the letter recommendations that come from the regional advisory councils, but it will have to make it clear why it is not following them. The Commission will have to defend decisions that deviate from the views of regional advisory councils. Although the proposals will not change anything legally, they will change fundamentally the climate in which decisions are taken.

Tavish Scott (Shetland) (LD): I thank Mr Farnell for his presentation, which helped us to understand the Commission's proposals. I agree that the CFP has failed—that is demonstrably the case and I am pleased that the Commission has taken that fact on board.

I have a couple of questions. First, you talked about effort limitation through a multi-annual process. Does that imply that quotas will remain? The reality is that with quotas and with that mechanism for fisheries management, nothing will change in the Scottish industry, especially if the mechanism is put on a longer-term footing.

Secondly, on fleet capacity, does not your presentation imply that the Commission will choose days at sea as the mechanism for fleet-capacity changes? What do you intend for the multi-annual guidance programme? In Shetland, which I represent, there is concern in the pelagic and demersal sectors of the industry about the importance of acknowledging that certain sectors have met or not met their targets. Will you clarify the position on that?

I am concerned when I hear people say that fishermen will be forced out of the industry by the regulations that are imposed upon them; that that will happen was clear from what you said. You appeared to suggest that the Shetland box might go because you doubt its merits as a conservation regime. However, you did not mention the socioeconomic effect on Shetland—or many other

parts of Scotland—which will be, in effect, to drive fishermen out of the fishing industry, which is worth about 30 per cent of the economy of my constituency. I would be concerned about a policy that does not acknowledge the socioeconomic impact of its changes. I would be grateful if you would comment on that.

14:30

John Farnell: I believe that quotas will remain for some time ahead. They will be needed as the basis on which to calculate fishing effort limits. At least for the foreseeable future, quota entitlement will co-exist with a matching fishing effort entitlement. Quotas will remain as a management instrument, although they will be used to calculate the fishing effort entitlement.

You expressed concern about the possible disappearance of the so-called segments within the MAGP, in which different types of fishing are differentiated. We are concerned that everyone live up to their existing obligations under the MAGP. Part of our proposal is not to allow access to Community funds and improved Community funds for aid to the fleet as long as member states have not met their existing obligations under the MAGP. There is no question in our minds of wiping the slate clean and forgetting that a certain segment has remained outside its target for the MAGP. As long as a single segment is outside that target, the member state is debarred from access to Community funds.

I do not believe that the Commission's policy is to force fishermen out of the industry. The reality is that the available resources cannot sustain the numbers that are in the industry. The choice for the Council is to decide whether to solve that problem through orderly decision making, the planning of measures that will reduce fishing effort and planning the accompanying measures to deal with the socioeconomic problem, or by hoping that it will never happen and being forced to change by external events, such a stock collapse, over which we have no control. That is the real dilemma that we face. We believe in a planned transition, but there must be a transition. That is our policy in a nutshell.

An important part of the debate must be how to design accompanying socioeconomic measures to help find alternative employment for fishermen and to help the regions in which there is likely to be some loss of employment because of the conservation measures.

It is also clear that some areas, such as Shetland, face a particular problem. We must ensure that we are clear about the criteria according to which we take any measures. We do not protect communities on the basis of spurious conservation arguments. Any measures to restrict

fishing should be based on conservation grounds and we must find other ways of looking at the socioeconomic aspects.

Tavish Scott: I presume that, in not forcing people out of the industry, the Commission recognises what the Scottish Executive has done on decommissioning and that that will be seriously taken into account in any effort limitation measures that are proposed by the Commission.

You talk about the socioeconomic effects on fisheries-dependent communities. What work is the European Community carrying out in that area and how can it be assisted by member states—or, in this case, the Scottish Executive—in ensuring that areas such as Shetland are fully recognised in the Commission's final proposals.

John Farnell: Any decommissioning that has taken place since the reference period that might be used to establish past fishing performance would help to alleviate the problems of a fishing effort limitation scheme. Let me give a concrete example. If we had a fishing effort limitation scheme for cod and set the reference period for past fishing effort at 1998-2000, any decommissioning in 2001 or this year would improve the situation for the Scottish fleet in respect of the allocation of fishing days in 2003. However, the impact of proposed future decommissioning in 2003-04 would be only minor. Past decommissioning would have an effect on the allocation of fishing days; decommissioning that was to come would not have an immediate effect.

On the socioeconomic dimension, we have promised a Commission action plan for addressing the socioeconomic impact of these measures, which we hope will be delivered before the end of October. Over the next three weeks, we will hold consultations with each of the member states, inviting them to spell out to us what they regard as the social and economic impacts of our proposals. We will invite them to consider the ways in which all the Community structural funds could be redesigned, re-effected and reprogrammed to deal with any situations that they want to be dealt with.

Rhoda Grant (Highlands and Islands) (Lab): I have a couple of questions, the first of which is about discards. In your opening statement, you said that you hope to introduce an action plan outlining mainly technical measures to deal with discards, but you also said that quotas will still be used. Quotas and discards tend to go hand in hand in a mixed fishery. Is there a different way in which to deal with discards? If so, will it be considered in the drawing up of the action plan? Discards are extremely wasteful, as fish are thrown back into the sea dead. That serves no purpose in the conservation of fish stocks. Would it not be better to land those fish? In that way,

discards could at least be measured, overfishing could be measured and some use could be made of the catch. There would have to be no economic justification for bringing that catch ashore, as we would not want to encourage such catches, but there should be some measure to discourage the wastefulness of discards.

My second question is on policing. You talked about new measures for policing catches. In Scotland, we have quite a good policing regime. Do you think that good practice in Scotland will be emulated in other countries, or will more regulation come to Scotland?

John Farnell: The single greatest contribution that we can make to reduce discards is to reduce fishing effort. There are many discards of juvenile fish in particular because most of our demersal fish stocks are primarily made up of juveniles. Stocks are fished before fish reach adulthood. We should reduce fishing pressure so that the proportion of adults in fish stocks is much higher and reaches more traditional levels.

We are prepared to consider other ways of avoiding waste through discards, but all the alternatives have a downside. We want to avoid creating a market in small fish. Almost every alternative that can be thought of provides commercial gain in one way or another for someone from the landing, further processing or turning into fishmeal or whatever of small fish. Many options are attractive at first sight, but at the end of the day, they can work the other way and encourage fishermen to target small fish.

One of our proposals that will shortly be made will be an invitation to fishermen to propose fishing techniques and practices that would minimise discards. We are toying with the idea of encouraging experimental fishing, perhaps with observers on vessels. Perhaps fishermen could disregard existing common fisheries policy rules on an experimental basis and follow other practices that might reduce discards. We cannot address the problem without the full co-operation of the fisheries sector and there will have to be a discussion with that sector on how we can go further down that road.

On enforcement, every member state has its strong and weak points. The UK, for example, is generally highly regarded in respect of its capacity to inspect at sea, but its capacity to control landings falls short of practice in a number of other countries. There must be a two-way exchange of good practice. Above all, we want to try to get away from national monopolies on enforcement. The way in which fisheries regulations are enforced in Scotland, Spain or Brittany is entirely up to the local Administration, and there are only intermittent visits from inspectors from Brussels. We must create the habit of having joint inspection

teams and exchanges of national inspectors between national enforcement agencies. Such practices are common in other areas, such as in chemical and food inspectorates. It is time to open the doors and windows on national practices and to have national inspectors from other countries not only looking over the shoulders of local inspectors to see what they are up to, but sharing tasks and having a legal right to exercise their responsibilities in other countries.

Mr Jamie McGrigor (Highlands and Islands) (Con): I welcome what you say about limits and regional advisory councils, provided that they have teeth and are not simply talking shops.

There appears to be a significant conflict between the southern states—the so-called friends of fishing—and the northern states over the subsidy of vessels. It appears that the southern states get subsidies and the northern states underwrite those subsidies, which causes a great deal of conflict. How will you resolve that conflict for conservation purposes?

Secondly, in the wake of the fact that, although fishermen were led to believe that deep sea species were not to be controlled by total allowable catches and quotas, France got an enormous share of the quota, how will the voting over CFP reform issues be conducted? Will there be simple majority voting or qualified majority voting? I ask you that so that the fishermen here will have an idea of what to expect.

14:45

John Farnell: The voting will continue to be conducted as it is conducted today, which is by qualified majority voting. In that system it is possible for a given number of member states to be outvoted by a weighted majority. We propose no change there, because the European Council and all national Parliaments would have to agree on that.

A large number of member states are not ready to sign up to the Commission's proposals on change to the subsidies. We have proposed the abolition of certain kinds of subsidies for all vessels from the beginning of 2003. It seems clear that we will have a hard job getting a qualified majority on that proposal. Nevertheless, I believe that a number of member states do not want the status quo, which is subsidies for all vessels, however big, to continue indefinitely. We intend to discuss that issue at the next fisheries council on 23 September. The task of the negotiations is to find out whether there is an intermediate position whereby some subsidies would go immediately and others would be limited in scale, perhaps to smaller vessels and subject to conditions to ensure that they do not do too much damage. We will discuss that, but I cannot speculate on the

outcome of the negotiations.

Mr McGrigor: I have a supplementary question on the regional advisory councils. In relation to the possibility of a zone such as Shetland, has the Commission examined areas such as the Faroes and Iceland, which have brought their fisheries back from the brink of failure to being reasonably good? An extended Shetland box could be given an experimental management regime. When are you going to give us an example of a regional advisory council? Would it take the form of a council for Shetland, for example?

John Farnell: Our situation is necessarily different from that of small single states such as the Faroes or Iceland where everyone speaks the same language and has basically the same fishing interests. A real problem that we have to address is that for a long time, fishermen from many countries have fished stocks off Shetland or other parts of Scotland. The way in which we address fisheries management must take into account the fact that all interests must be represented round the table.

By definition the Community—unlike anywhere else in the world—has to create a multinational model. The idea is that we should proceed by degrees. Our starting point would be that, as of next year, we would receive proposals from, say, the UK and other member states for a committee that would be set up as the member states see fit. The structure would be approved by the Council of Ministers, provided it met certain criteria. For example, every interested party in the fisheries in the area concerned would have to be able to participate. All interests, both economic and non-economic, would have to be taken into account.

We do not have a blueprint. We would like the design of bodies to be regionalised, subject to scrutiny by the Council to ensure that everyone has a fair say. The agenda of regional advisory councils would be the technicalities of fisheries regulation. They could not take on questions of sovereignty—of who decides on fisheries regulation in particular areas. Those issues would continue to be dealt with by the Council. However, we need the input of the fishing industry with regard to the technicalities and how we regulate fisheries in detail.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Last December, something unusual occurred in the Scottish Parliament—there was an outbreak of unanimity across the political parties. It was provoked by the Commission proposal to reduce the nephrops TAC by 40 per cent. It was roundly condemned as having no basis in scientific evidence. I think that the Commission has now conceded the point.

The proposal to cut the nephrops TAC is an example of what is seen as bad about the CFP.

Will the RACs have a legal right to do two things? First, will they have the right to access the Commission's scientific data and information? In a democracy, freedom of access either exists or it does not. Secondly, will the RACs—for example, my people in Mallaig—have the right to send someone to speak to the scientists early enough to enable them to find out what is happening and to influence future decisions?

John Farnell: The answer to Fergus Ewing's first question is an unequivocal yes. It is clear that regional advisory councils and their members will have access to the information that the Commission is using to design or draft its proposals.

There are two ways of bringing about a dialogue between local scientists, local fishing industries and the scientists who make the recommendations. Part of the solution is to have regular debates in the regional advisory councils about fisheries science. We would ask the authors of scientific advice, such as the International Council for the Exploration of the Sea—which produces all the science concerning Scottish fisheries—to be represented in advisory councils, to respond to input from the industry and from independent scientists, and to reply to questions from administrators.

Another way of approaching the issue, which was tried as recently as the week before last, is to organise dialogue between the ICES, the international organisation that provides scientific advice, and representatives of the industry. A short time ago the ICES gave some indication of the emerging advice for 2003 concerning fish stocks in the North sea. That advice was discussed with industry representatives before the scientists finalise their advice at the end of October and before the Commission responds to that advice in its proposals for TACs and quotas next year.

At central level we are already beginning to do what Fergus Ewing suggests, but it would be more meaningful to do it at regional level, which would allow more people to attend meetings and to listen to what is said. That would be one of the functions of regional advisory councils.

Fergus Ewing: I thank you for that answer although I still think that, rather than relying on exhortation, a legal right of access to the officials' information will be necessary. If that right does not exist, the proposal will simply be well-intended warm words rather than a sea change, if I may use a pun.

I was heartened by your recognition of the socioeconomic role of fishing in Scotland. Fishing communities need to continue to fish to survive as fishing communities.

You have indicated that while, in the short term, TACs will be allocated on the basis of relative stability, there seems to be a clear suggestion that that will not last beyond the short term. You have not said when the axe will fall but you have implied that the Commission is thinking about it. Obviously, the situation is worrying. The draft regulations that we have seen do not say that the allocations shall be on the basis of relative stability. Rather, they say that regard shall be had to the principle of relative stability. As I was a lawyer in my former life, I know that "regard shall be had" means that you are not bound to allocate on the basis of relative stability. Is that choice of words intended to allow, at some point, a departure from the principle of relative stability? If it is not, will you reword the draft regulations so that it is absolutely clear that the allocations shall be on the basis of relative stability?

John Farnell: I am not a lawyer, so I am prepared to accept that you might be right about the weakness of "regard shall be had." All I can say is that, in the debates in the fisheries council, no member state lawyer has made the point that you have just made. I do not think that any member state, so far, has explicitly questioned the drafting of article 20. Not even the member state that I know is not fond of the notion of relative stability has opened up a debate on the issue. My reading of the situation is that the overwhelming majority of delegations, if not everyone around the table, reads that text as being a commitment to relative stability as the basis for allocation for the lifetime of the framework regulation. The framework regulation does not have an end date. Some parts of it will be reviewed, although not this part.

I accept that part of our intention is to generate a debate about the time scale over which we might move from what is proposed in this regulation to another way of managing the allocation of fishing rights. That second idea is not a legal proposal but a political proposal relating to the idea that, while the notion of relative stability is present and is a must for the foreseeable future, it is not forever.

Fergus Ewing: I make no claim whatsoever for legal pre-eminence, but it would be useful if you could obtain written confirmation from your lawyers that the accepted interpretation of the Commission is that the arrangement is binding and could not be in any way discretionary. Could you do that?

John Farnell: I will take a second look at the matter and let you know what the lawyers say.

Mr Alasdair Morrison (Western Isles) (Lab): I reinforce what Tavish Scott said about the importance of the on-going decommissioning. It is essential that the decommissioning that has taken place is factored in to the Commission's thinking.

We all appreciate that sustainability will be one of the pillars on which the reforms are based. Although I represent a constituency with an inshore fishery, I appreciate that the Commission intends to reduce fishing effort and remove public aid for the construction of new fishing vessels. Do you think that it is possible to pursue two agendas at once: new build and reduced effort? New build need not necessarily mean increased effort.

15:00

John Farnell: We worried about that idea, which seems perhaps anti-economic. If one builds a new production tool, but knows that one cannot fully use it, that will not be an optimal use of resources, particularly if it is done with public aid. If a private investor chooses to take that risk, it is up to them to live with the consequences. We believe that it is dangerous to inject public aid into capacity that, in several fisheries at least, is likely to be underused.

Of course there are distinctions to be made between inshore fishing and the rest in terms of the effect of aid on competition. One of the other reasons for not being too happy about aid, apart from the inefficiency, is the threat to competition between fleets. If the fleets are fishing outside coastal waters, subsidised and unsubsidised vessels would be fishing on the same grounds. That is not acceptable. If only inshore vessels are aided, it is clear that the interaction with other Community fleets is much less, because there are access restrictions, and therefore there is less competition.

The Commission believes not only that all the aids for new build or modernisation are potentially inefficient and anti-competitive, but that they fundamentally fail to safeguard the interests of the communities that they are designed to help. The artificial injection of investment will accelerate loss of employment. If the number 1 priority is to maintain employment in fisheries at its current level, the worst thing that one can do is to inject aid into new capacity.

Mr Morrison: I was talking specifically from the perspective of an inshore fishery. I recognise that we must reduce effort and there is no debate on that issue. However, I am talking about an ancient fishing fleet resting on boats that were built in the 1960s. We might be talking about decommissioning in a puff and the fact that capacity is at an optimum level in relation to sustainability, but can we not have a twin-track approach that focuses on sustainability at the same time as running a replacement programme? Safety is an obvious reason for wanting to do that—it is not about increasing catching capacity.

John Farnell: I would make a distinction where

it comes to safety, and our present proposals would allow public aid for modernisation of vessels under 12m for safety reasons. That is as far as we would want to go in allowing aid, even for the smallest part of the fleet. That is the Commission's position, although as I hinted earlier, that position is not shared by everyone round the table at the Council. We shall see how it comes out.

The Convener: I will allow Richard Lochhead one short final question on the understanding that he goes to the back of the queue of questions for the next set of witnesses.

Richard Lochhead: Given that Spanish intervention led to a delay in the publication of the CFP proposals and other shenanigans in the Commission, and that the Commission did a volte face and accepted the Spanish compromise over the deep sea fishery recently, are there any steps that the Commission can take to reassure Scotland that no member state will be treated with fear or favour in the crucial few months leading to the conclusion of the CFP review?

John Farnell: First, I would defy anyone to show how the Commission's proposals were in any way watered down as a result of the six-week delay in the Commission adopting them.

If I may briefly say something about deepwater species, it was never a surprise that the Commission was proposing TACs and quotas alongside fishing effort. From the beginning, we have proposed a two-track approach involving both TAC and quota restrictions on fisheries for the species concerned and an attempt to cap the fishing effort with, over time, the development of a more substantial fishing effort limitation scheme. That has always been the Commission's intention. The idea of having a TAC and quota element to the package of proposals for deep sea species in itself disadvantages areas such as Scotland, which do not have the same track record as other member states. We have heard over the past hour that track record and relative stability are, as far as Scottish fishermen are concerned, fundamental features of quota allocation. It is difficult to insist on a system based on TAC and quota everywhere except in deep sea fisheries.

We well know the shortcomings of a TAC and quota system for deep sea fisheries, and we know that it would be nonsense to have a TAC and quota system on its own. That is why we also proposed to take into account fishing effort. However, fishing effort limits alone would, in Community terms, be a non-starter. Perhaps it would set a dangerous precedent as far as Scottish fishing interests are concerned to have fisheries management at a Community level without taking into account track record.

Richard Lochhead: Did the Commission not go

against the science?

John Farnell: No. The TACs that are in the pipeline for next year, although they are not yet fixed, by and large—not in every case—represent and reflect the scientific recommendations for significant reductions in fishing effort. Most of the TACs are being reduced by between 20 and 80 per cent compared with the 2001 fishing levels. That is a significant reduction.

The Convener: I know that one or two members would like to come in at this point, but I am afraid that we must wind up this evidence-taking session. I thank John Farnell very much for coming and for the thorough way in which he has answered our questions, as well as for giving up his time this afternoon. As we change witnesses, I will suspend the meeting for five minutes. We will reconvene at 12 minutes past 3.

15:07

Meeting suspended.

15:12

On resuming—

The Convener: Welcome back. Just before we begin, I have an extra item to draw to the attention of members who were unable to attend the private session this morning. I hope that Elaine Smith, who is fetching a coffee, can hear what I am saying, as it applies to her. We considered the draft report on integrated rural development this morning and agreed that members should e-mail the items that they wish to see prioritised in the report to Tracey Hawe, the committee clerk. We asked for a bit of a redrafting of the report before we consider it again. It is therefore important that all members who wish to make an input do so by Friday night.

I welcome our next panel of witnesses: Danny Couper, director of the Scottish Fish Merchants Federation; Alex Smith, president of the Scottish Fishermen's Federation; Darren Kindleysides, fisheries policy officer for RSPB Scotland and convener of the marine task force for Scottish Environment LINK; and Roddy McColl of the Fishermen's Association Ltd. Thank you for joining us today. We have had one call-off from Josie Simpson, chairman of the Shetland Oceans Alliance, who is unable to be with us today.

All the witnesses have given the committee written submissions. Given the time scale, I am keen to move to questions as soon as possible. I ask each of you to give a brief opening statement, of one minute if you can—please do not feel that you have to. I will start in the order in which you were introduced, with Danny Couper.

15:15

Danny Couper (Scottish Fish Merchants Federation): I am the conservation spokesman for the Scottish Fish Merchants Federation and have been involved in the industry for more than 20 years. I have been very concerned with sustainability and have produced many papers on conservation, sometimes to the annoyance of the catching sector. That said, each sector has always taken the other's views on board.

Usually, when fishermen are doing well, our sector is doing badly and vice versa. The CFP contains many aspects that might help to create common goals for quality, communication, continuity of supply, marketing and promotion. However, as a conservation spokesperson, I am concerned by other parts of the CFP.

Alex Smith (Scottish Fishermen's Federation): Reform of the CFP is the most important issue that faces the industry today. We have spent many years working out our idea of a better CFP for the future, which is one that will deliver sustainable fisheries. Over the next six months or so, there will be hard negotiations and our ministers will need considerable commitment and resolve if they are to ensure that our communities and the industry in general have a future.

We all know that the CFP has not delivered. However, there would be little point in going into the reasons for that. We now have an opportunity to reform the policy, improve the management of our fisheries and reverse the decline in stocks. That said, it is not all bad news. Two of our pelagic stocks are in a very healthy state and one of our nephrops stocks is well above sustainable levels. I accept that other stocks around the UK need to recover.

The key to the issue is devolved management. As enlargement will make the present system totally unmanageable, any subsequent system should be based on a regional approach. As a result, I would prefer the creation of regional management committees instead of regional advisory councils. The main players in fisheries management are scientists, fishermen, managers and the Commission, and I want the Commission to introduce regional management. The presence of large all-encompassing groups in the so-called regional advisory councils will make the system ineffective.

The main issue for Scottish fishermen is relative stability, which determines the share of the catch and whether it is profitable or unprofitable. Such stability must be maintained. The 6-mile and 12-mile limits are very important, particularly to the west coast fisheries.

I will stop there, because the convener asked me to be brief. I have some other comments, but it might be better to have more time for questions.

The Convener: I am grateful for that. I hope that we will come to your other points during questions.

Darren Kindleysides (Scottish Environment LINK): As the EC has already conceded, the CFP has been a comprehensive failure, and neither Scotland's fishermen nor our environmental bodies would disagree with that frank assessment. The question now is not whether we need radical reform but whether we will achieve the necessary radical reform to maintain sustainable fisheries in Scotland. We believe that the Commission's proposals have potential in that respect. Although we have specific concerns about the detail, we are encouraged by the broad thrust of the reforms as outlined by John Farnell.

Significantly, the CFP's environmental dimension has finally been addressed in line with the treaty's requirements. There are proposals to weave the ecosystem and precautionary approaches into the management of fisheries at a European level. We hope that giant leaps, rather than small steps, have been taken, but any progress towards the two pillars of environmentally sustainable fisheries is welcome. We cannot forget that a healthy marine environment is the cornerstone of healthy fish stocks and vibrant fishing communities.

The Commission has finally proposed serious measures to tackle overcapacity, which we think should be given the highest priority out of all the Commission's proposals. We acknowledge that fierce opposition exists in certain member states towards the Commission's proposals to tackle overcapacity and subsidies. That opposition has come particularly from the friends of fishing—perhaps I should refer to them as the friends of overfishing. Anyone who has the long-term interests of the fishing industry at heart cannot honestly disagree with the removal of public subsidies for new vessels and modernisation, nor can they disagree with the redirection of funds towards scrapping vessels and providing support for socioeconomic measures.

I will cut short my comments, although I have a few other points to make.

Roddy McColl (Fishermen's Association Ltd): I will briefly introduce myself and the Fishermen's Association Ltd for those who do not know us.

The association was incorporated as a company limited by guarantee in September 1995 and has around 140 members from Shetland down to Cornwall. Our members prosecute all kinds of species around the coast. They also operate in the Norwegian sector and also fish for deepwater species, herring and mackerel. With me are our

chairman, Tom Hay, and our vice-chairman, Robert Mitchell. I am the secretary of the association and am responsible for the management and strategic development of the association's operations. I am a Scots lawyer and have had 30 years' experience in fishermen's trade protection activities.

I have been struck by the references that have been made to the common fisheries policy today. One of the greatest misconceptions ever inflicted on British fishermen is the idea that the current, temporary EU fisheries management regime, which was established in 1983, is actually the CFP. It is not. The real CFP is stark, simple and clearly defined in the treaties. For example, the Treaty of Rome created the foundations of the Community, such as free movement of goods, persons, services and capital. In other words, there must be no discrimination between producers within the European Community. All sea fish in waters that are under the jurisdiction of member states are described as a common resource to which all member states' fishermen have a right of equal access.

Relative stability is a discriminatory principle, not of the CFP but of the 1983 fisheries management system. Based on that principle, Scottish fishermen have no historic rights. It is contrary to the foundations of the Community and will be removed. I was pleased to hear Fergus Ewing raise that issue with Mr Farnell, but what Mr Farnell said gave me no comfort at all.

I draw members' attention to a speech given 10 years ago in Shetland by Ruth Albuquerque, who was then the senior Commission official responsible for fisheries policy. At that time, she envisaged a way forward that would have led to thousands of fishermen losing their jobs, although Shetlanders would have been all right because they would have been able to diversify by developing Shetland pony breeding. The reality of that vision is found in photographs such as the one that I have with me, which shows Scottish fishing vessels lying in Danish yards, waiting to be broken up. We heard more about that vision today.

The Convener: I thank all the witnesses for being relatively brief.

Before we start asking questions, I will explain why Mr Farnell was first up, before the industry representatives. There is a perfectly rational explanation for our schedule, although it may have seemed a little odd. We would have liked to have heard the witnesses the other way round, but our meetings are planned well in advance and when we were planning this meeting, we were advised that Mr Farnell's timetable would not allow him to stay as late as he has managed to stay.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Sustainable fish stocks are

essential for everybody—fishermen's organisations and environmental organisations alike, and producers and consumers alike. Will the witnesses comment on the control and enforcement of the European Commission proposals? What more could be done? If we have rules and regulations, they have to be fair for everybody.

The Convener: Are those questions for anybody in particular?

Mr Rumbles: No, they are for all the witnesses.

Danny Couper: The very nature of fishing makes it difficult for controls and enforcement to be implemented. There are 300 to 400 boats out there. Each boat has a managing director and a board of directors, all of whom are making decisions. Those decisions are economic decisions. The most difficult part of the CFP, and of the new proposals, is in asking fishermen to catch fewer fish for other people's future, but not their own.

For many years, we have called for the reduction of fishing effort through decommissioning, but it has not come about. Unfortunately, stocks have diminished rapidly. As Mr Farnell said, the stocks in the North sea are mainly of young fish. For the fishermen, the economic return on the resource is not enough to make their boats economical. Trying to control and enforce in such a situation is very difficult. The only way in which I can foresee successful enforcement is if we connect the social and economic side with the biological side. You cannot have just one side correct; you have to have both. If you do not have both, fishermen, who are not well off, will circumvent all the things that contribute towards good conservation.

It is a dilemma. The answer is probably more decommissioning so that fewer people get a share of the cake. That would be self-policing and the rules would be implemented.

Alex Smith: We would certainly welcome a level playing field. Most member states—or some of them—would say that they are more heavily policed than others. We would say that we are well ahead of most of the other member states. Additional regulations are put on us: we have satellite monitoring, which some member states still have not implemented; we have designated landing ports; we have individual pelagic licensing; and there are draconian search and entry powers. At the moment, the registration of fish sellers and buyers is out for consultation. That would lead to more bureaucracy. In general, we welcome more control throughout Europe so that we are all on a level playing field.

Darren Kindleysides: Good fisheries regulation is easy to implement and easy to enforce, but the

CFP proposals may fall a little short. I will not talk about any of the technical measures that have been proposed; I want to talk about compliance. If ownership of the regulations and stewardship of the resources have been built in, compliance will come too and enforcement will become easy. That ties in with stakeholder involvement in management and with the whole idea of regional advisory councils becoming regional management committees, so that the people who are fishing have real ownership of fishery regulations. If we can achieve that, enforcement should become easy.

15:30

Roddy McColl: The UK lists in its priorities for the CFP review the need

“to ensure greater effectiveness and consistency in control and enforcement of EU requirements, while attempting to simplify the burden of control on fishermen”.

It is difficult to see how that burden is being simplified by the raft of additional controls that are being proposed by the Commission. The latest in a long line of such controls is the registration of sellers and buyers and of designated auction markets, as the committee has heard. Even more disturbing is the move towards administrative sanctions, under the guise of decriminalising fishermen who breach the myriad rules and regulations that they face daily.

The problem that I have with that move stems from the European convention on human rights. I do not believe that the Commission has ever heard of that convention. If it has, it does not seem to feature largely in any of its proposals. My concern is that the Royal Navy or the Scottish Fisheries Protection Agency will become judge, jury and executioner. The right to earn a livelihood is removed from the fishermen by the party that is enforcing those sanctions. That must be examined very carefully.

Mr Rumbles: I would like to ask specifically about the operation of multinational inspection teams. That is a new concept. Is everybody happy with moving away from purely national enforcement to multinational enforcement to solve the problems?

Alex Smith: I refer you to my previous comments. We have nothing to hide, so we do not see any problem with that, provided that it is done even-handedly.

Roddy McColl: If you believe in the integration of the European Union, such a concept is a natural step forward.

The Convener: If members want to put questions to a specific member of the panel, they may do so. Other witnesses who want to add something should catch my eye and I will allow

them to comment.

Rhoda Grant: I would like to ask the question that I asked John Farnell about discards. Mr Farnell said that he wants to involve the industry in drawing up the action plan for dealing with discards. I imagine that fishermen would like to be involved in drawing up that action plan, but I would welcome your comments. What technical or other steps could be taken to deal with discards?

Alex Smith: A discard ban is often mentioned, but when you are working in a mixed fishery, as our demersal fleet is, it is impossible to have a discard ban. The sensible thing is to reduce discards. In the pelagic fishery, where fishermen are catching only one stock at a time, the discards are nil, but in the mixed fishery it is very difficult.

There is a myth at the moment that discards are as bad as ever, but the reality is that Scottish fishermen have taken big steps to reduce the level of discards. As I am sure you are all aware, we introduced the square mesh panel last year. That was done unilaterally because of the amount of small haddock in the sea at that time. We subsequently moved to a 120mm mesh for part of the fleet, and we currently have a 110mm derogation for one year, which we hope to extend. The Fisheries Research Services laboratory in Aberdeen has done extensive research on the effects of those mesh increases, which shows a remarkable reduction in discards.

The other thing that I would like to mention—and this proves the point—is that our uptake of haddock this year is in the region of 30 per cent, and our uptake of whiting is less than 30 per cent, as of last week. That shows that the increase in mesh size is having a dramatic effect on what we catch. The discards are clearly being reduced. I would say that the problem lies elsewhere in Europe, south of 56° in the North sea in particular, where Dutch vessels prosecute sole and plaice with 80mm mesh nets. They also use 80mm and 100mm mesh nets in the eastern channel, where most of the one-year-old cod is. Scotland is way ahead of the game in the reduction in discards.

Darren Kindleysides: The most important aspect of discards is to avoid bringing them on board to start with. That probably backs up what Alex Smith said. Technical conservation measures that stop the small fish getting into the nets are probably the priority in terms of rebuilding stocks.

A broader point is that the conservation bodies are serious about the need to reduce discards because they are a huge waste of resources. From an RSPB point of view, discards have produced a bonanza of food for seabirds. There are four or five seabird populations that have increased rapidly because of all the food that is

provided by the discarding of fish and offal. We are serious about wanting discards phased out, no matter what that might mean for seabird populations, because it is one of the foundations of the unsustainable common fisheries policy.

The Convener: Do you accept Alex Smith's point that new technologies have dramatically reduced the problem?

Darren Kindleysides: Yes. The issue is certainly beginning to be addressed. Technical conservation measures are the way forward. I am not certain whether discard bands or creating markets for discards is the way of tackling the issue.

Danny Couper: Any rules or regulations with regard to discards must suit reality. The fishermen have a dilemma on their hands as their quota is reduced. It is easier to be selective on board the boat than it is to be selective with the gear, particularly if there is not an abundance of fish. The fact is that there are ways in which the fishermen can circumvent mesh size to get a bigger catch, get it on board and be selective by keeping the bigger sizes for which they will get more money. That is just reality.

The problem is economic. The fisherman is out there trying to make as much money as he can from his catch to sustain his family and community. The problem is in getting the correct balance between the discard rate and the size of mesh. That is a difficult problem. It is also about perception. The fishermen's perception is changing from being a hunter to being a harvester. If he thinks that he has a future for the next five to 10 years, he will not circumvent mesh size but do things for that future. However, there must be a future in it for the fishermen or they will not do it.

Roddy McColl: Mr Farnell indicated, if I recall correctly, that other options are not suitable for dealing with discards. He believes that the only way to deal with discards is through reducing fishing effort. I do not subscribe to that view. I think that it will be achieved through a combination of technical measures and fishing effort. As you have heard from other witnesses, there has been a major step forward with discards because of technical conservation measures—but that assumes that they are understood, which is not always the case given the complexity of the measures.

The devil, however, is in the detail of everything that we have been discussing today. If we cannot be bothered to examine the detail, the bureaucracy will advance effortlessly against our democracy. The detail is in what Mr Farnell did not say but hinted at. Please remember that, ladies and gentlemen.

The Convener: Does anyone want to comment on anything else or are you happy to move on?

Rhoda Grant: I have a short supplementary. It is plain that everyone is talking about technical measures to deal with discards and would not be happy about having other measures, such as landing discards. Our fleet is at the forefront, but how can we encourage other fleets to take on the same measures that we have taken voluntarily?

Alex Smith: We have implemented measures and we have fought hard to ensure that they are implemented elsewhere, but each member state has its own agenda. For example, when we were participating in the recent cod recovery plan measures and finally agreed to the 120mm mesh size, the French industry said that it required to retain the 100mm mesh to catch saith. Every fisherman who has ever gone to sea knows that that is ludicrous. A 100mm mesh is not needed to catch saith, but the Commission relented and allowed that to happen. One of the other main discard fisheries is the Dutch beam trawl, which has a reported excess discard of 100 per cent. In other words, it discards more plaice than it lands, yet it continues to use an 80mm mesh to do that.

In the northern North sea, Scotland is way ahead of other member states. The problem lies elsewhere. Large quantities of juvenile cod are being discarded in the southern North sea which, according to the scientists at the ICES meeting two weeks ago, is where most of the one-year-olds are. The reality is that most of those cod are caught before they have had time to mature. That is being done in the southern North sea before the cod migrate north.

Danny Couper: There is a lot of evidence that suggests that fisheries such as those in Spain target under-sized fish for certain dishes that the Spaniards want. The enforcement is not being applied at the port of landing. There is a disparity in enforcement performance.

Darren Kindleysides: The multi-annual management plans might provide us with a vehicle for introducing across member states technical measures on discarding, or whatever those measures might be. The multi-annual management plan is a much broader tool than a TAC or a quota, which is an output tool, because it can include effort limitations. Multi-annual management plans for specific stocks can include technical conservation measures. Hopefully, if agreement can be reached that measures such as a discard reduction are required in a specific fishery, those measures can be introduced through the multi-annual management plans.

Richard Lochhead: We are all unhappy with the way the CFP stands at the moment because of bad decisions. Everything boils down to the bad

decisions that were taken in the past, which have got us to where we are today. The CFP review gives us an opportunity to change the decision-making process. At the moment, we have three big players: the industry, the European Commission and the Council of Ministers. There is currently a balance of decision making between those three bodies. How should that balance of power be changed to benefit fisheries conservation in Scotland in the future?

Roddy McColl: Our clear position is that we do not agree with the common fisheries policy at all. We believe that we should remove ourselves from it. However, I will not go down that route, as it is given in our written submission.

If we want to ensure that there is a balance, the regional advisory councils should be strengthened. Unfortunately, the multi-annual plans contain a proposal for the Commission to take more powers for itself, which goes against the idea of a stronger regional advisory system. It would be preferable if we had a regional management system that had teeth. Such a system would provide a better balance than we have at present.

Alex Smith: As I said in my opening remarks, the only way forward is through a devolved management structure. It would have to be advisory only, as the power to veto would be held by the Council. However, I foresee the management of the fisheries being done by the main players. In the present system, officials and scientific advisers meet the Commission and discuss the management plans. The ingredient that is missing from those meetings is fishermen. Fishermen know better than anybody what is on the fishing grounds and the patterns that arise, as they are there every day. The scientists produce independent advice based on their assessments, but they readily agree that some of those assessments are based on insufficient data to substantiate what they say on some of the stocks.

I envisage a regionalised approach whereby only member states with fishing entitlement in an area would meet on the regional council or committee. Those meetings would be backed up by advice from the scientists, the managers and the fishing industry, and ratification would be by the Council. That is how fisheries management could be devolved.

15:45

The Convener: Do the Commission's proposals that were put to us earlier, which would allow much more open stakeholder participation in the development of decision making, go some way towards addressing your concerns?

Alex Smith: What the Commission is proposing with regard to the make-up of the regional

advisory councils is too big. The councils will get so big that they will achieve nothing. The interests of stakeholders such as my friend Darren Kindleysides are important, but they are addressed elsewhere. The people who know what is in the sea and the management committee should be saying what the state of the stocks is, what they can stand and what should be done so that those that are in a poor state can be raised to a sustainable level. That is how I would like fisheries management to develop.

The Convener: I suspect that your good friend Darren Kindleysides might want to say something about that.

Darren Kindleysides: I sympathise with worries about the size of the regional advisory councils. If all the fishing interests in the North sea were included, it would be a vast committee. It is a question of deciding who has the relevant expertise in understanding the industry, the economics of the industry and the wider environment. A good example is the Fisheries Resource Conservation Council in Canada, which performs a role similar to that which many of us envisage the regional advisory councils performing. It is a group of just 15 people, whom others have to trust. A range of bodies will represent their interests, but there must be some input from the stakeholders if there is to be wide ownership of the plans. We should perhaps also consider the Scottish Inshore Fisheries Advisory Group, which includes one representative of an environmental body and 10, 12 or 15 industry representatives. That model works well. We are not looking for the lion's share, but just a seat at the table.

The Convener: Richard, I rather cut across your question. Do you have any other questions?

Richard Lochhead: I have one further question. We are taking evidence today from the industry and from the European Commission. At our next meeting, we will take evidence from the Minister for Environment and Rural Development. The committee's job is to report to Parliament and advise the minister how he can pursue Scotland's case in Europe on this issue. My question is this: do the various ideas that you have laid out have the support of the minister?

Alex Smith: I sincerely hope so, as the minister is all we have. There is a need for resolve and commitment. We saw the fiasco that happened with the deepwater fisheries quota. The Commission lost a lot of trust from the industry because of the decision that was taken on that—albeit that the ultimate decision was taken by the commissioner himself. We were extremely disillusioned by the outcome, as we had done a lot of work on that issue. It was an ideal opportunity to try out a new management regime, perhaps based

on a multispecies or multi-annual quota, but that option was bypassed. We need the minister to play a major part in looking after the interests of the Scottish fishing industry.

Roddy McColl: I refer members to the end of my submission:

“British fishing policy is determined by the political imperative of European integration. The objective ... is to create an EU fleet catching EU fish in EU and Third country waters under an EU Permit system controlled from Brussels.

When faced with Community law, UK fisheries managers and Ministers, well intentioned though they may be in endeavouring to protect and promote the interests of the UK industry, are on a hiding to nothing.”

Danny Couper: On the subject of the role of the minister representing us, governance, which Mr Farnell spoke about, means listening to the rank and file: to the views of the fishermen and the processors. It is about listening to their views and taking them forward. In the past, unfortunately, ministers and others representing the fishing industry did not do that as well as they could have. One of the reasons for that was probably the size of the fishing industry: someone once told me that the economic size of the fishing industry is probably smaller than that of the lawnmower industry.

Before devolution, ministers did not do the work for the industry. Now, with devolution, and given the importance of the fishing industry to Scotland, we must ensure that the Scottish interest is taken forward. It would probably be better if we had a Scottish minister directly representing the interests of fishermen and processors in Europe; someone who could take forward real governance from the rank and file in the industry.

Darren Kindleysides: Our minister has his work cut out. We view the Commission's proposals as the bare minimum required to secure sustainable fisheries in Europe. We are already hearing talk of compromise and watering down. The nature of the qualified majority voting system means that compromise is inevitable.

We need to call on the minister to bang the table in Brussels. We have always been a bit reserved in doing so, whereas ministers from France or Spain have always been quick to bang the table in defence of their industries. The committee needs to set out some non-negotiables for the minister and to give him the clear message that we expect him to bang the table in Brussels. I would include among that list of non-negotiables the significant and targeted reduction of capacity, the removal of subsidies and environmental integration.

Mr McGrigor: I refer to the FAL's submission. It says, quite rightly, that biodiversity is not defined in the Commission's submission. I take it to mean the importance of different kinds of living things,

including human beings. If anyone disagrees with that, perhaps they would like to say so. It is nice to know that the Commission refers to fishing communities as well as everything else.

With that in mind, and taking into consideration Scottish Environment LINK's submission that

"the Commission's proposals are weak on the interaction between industrial fisheries, human consumption fisheries, aquaculture and the conservation of biodiversity",

why is a precautionary TAC put on nephrops while there appears to be no precautionary principle for industrial fishing, which affects every species in the sea? Does the CFP review take industrial fishing and its results seriously enough?

Darren Kindleysides: I could not agree more with Jamie McGrigor. We do not believe that the CFP to date or the reform proposals take industrial fisheries seriously enough. What is termed the precautionary TAC for sand eels was set at 1 million tonnes, which equates to two thirds of the fish that are taken out of the North sea every year. Clearly, that is not a precautionary TAC, because 1 million tonnes of sand eels have never been caught. The TAC is being reduced slowly, but we believe that it should reflect the importance of industrial species such as sand eels and sprats both for biodiversity—as feed for wildlife—and as feed for the majority of our commercial fish stocks. The proposals to date for dealing with industrial fisheries are very weak. Under a precautionary and ecosystem-based approach to managing our fisheries, we would protect the food chain. Such an approach is lacking.

Alex Smith: I have seen industrial fishing at first hand. As I am sure most members know, in the early 1990s the Danish industrial fleet came to the Wee Bankie area, which was one of the most prolific fishing grounds in the North sea. Like my father before me, I spent most of my time fishing in the area. However, after the industrial vessels had been there, nothing was left. We hear a great deal about reduction in effort. For the past decade there has been no fishing effort in the Wee Bankie area, but the stocks have still not recovered. In my view, the damage was done by the industrial fleet.

The massive 1999 year class of haddock has been very slow to grow. The general opinion is that it is suffering from a lack of food. The haddock may be compared to a slow-growing kid who does not eat. As Darren Kindleysides said, in the past few years, the precautionary TAC for sand eels of 1 million tonnes has not been reached. Last year, only 50 per cent of the TAC was achieved. However, we still hear scientists say that sand eels are one of the most sustainable fish stocks. Fishermen do not agree with them.

The Convener: Are you happy with that answer, Jamie?

Mr McGrigor: Yes.

Fergus Ewing: Mr Farnell said that safety is paramount. One or two fishermen in Mallaig in my constituency have suggested to me that economic pressures are making it difficult for them to retain crew. Many crew members are joining the oil industry. There is a danger that boats will go to sea with insufficient crew and that lives will be put at risk. What is your experience? What is your view of that important issue?

Alex Smith: In the past two or three years there have been problems in recruiting fishing crew. As representatives of the industry, we have sought to address those. However, there is general doom and gloom about the fishing industry. Youngsters no longer see it as offering an attractive future. In reality, there is still a good future in fishing.

Sometimes one-man vessels go to sea, which I regard as very dangerous. However, no skipper would go to sea with insufficient crew to run his operation reasonably safely.

Danny Couper: We return to the economics of the boat. Fishermen must go to sea and make money for the boat. As my submission says, we on the processing side have seen a deterioration in the quality of the fish that are being landed. Skippers have told me that boats are not carrying enough crew to put down, gut or look after the fish properly.

The quality of men is another factor, because the remuneration does not attract young people. It is a difficult call. If fishermen could get more for their fish—that relates to better communication and better quality—and there was something in it for them, they would be able to afford the remuneration that would attract a better quality of people on board. There is a serious problem with the quality of the fish that are being landed in Peterhead, Fraserburgh and Aberdeen.

16:00

Fergus Ewing: Does Mr Kindleysides agree with the view that was expressed earlier that in the North sea and on the west coast, nephrop stocks are above sustainable levels?

Darren Kindleysides: I see why the Commission proposed the TAC cuts last year, or at least what it perceived to be the basis for the cuts, which was links to the bycatch of cod, although the science proved that such links did not exist. West coast and North sea nephrops are two stocks that seem to be doing well. If we include herring in the equation, it is clear that it is not all doom and gloom for the fishing industry.

Fergus Ewing: I have a final question, on an issue that Mr McColl raised. I gather that a consultation exercise is being held about the

imposition of a new scheme that involves registering sellers and buyers of fish. I have received representations that are not too supportive of that. How will the scheme affect your people?

Danny Couper: Our sector has a definite view on the matter. We asked for a licensing scheme. We wanted our side of the industry to be licensed to tighten it and to prevent opportunists from entering and leaving it, so that the industry would be more stable. That seems to have been thrown back to us. It has been proposed that our side should act as policeman by checking everything that comes in and reporting it. The rules and regulations do not suit reality. The cost would be too high. The scheme has been developed without consultation. When the Parliament first evolved, it was based on governance. In this case, there has been no governance.

Roddy McColl: The scheme is part of the CFP proposals. My association has yet to take a view on it, but the initial reaction is one of concern and suspicion. I refer the committee to Mr Farnell, who talked about importing and exporting best practice and about the UK, which professes to be in the lead on enforcement, having a problem onshore. The scheme would address that problem. If we want a level playing field, the scheme will help to ensure one. I am not saying that I agree with it, but that is how the Commission intends to ensure proper control and enforcement with its joint inspection body.

Alex Smith: All the answers have been given. We are concerned to obtain a restriction on who can come in and purchase our fish and dictate when and where they can be sold. That is clearly not the case elsewhere.

I will return to Fergus Ewing's question about the precautionary system for nephrops. We strongly agree with what Mr Ewing says. The precautionary TAC was introduced many years ago. There was no science behind it—the decision was based on landings. The fleet has expanded considerably into nephrops during the past 10 to 15 years. The stock is in a very healthy condition. Twenty years ago, hardly anyone was catching nephrops beyond about 10 or 12 miles. Now, nephrops are being caught well over 100 miles away. Basically, they are all over the sea.

Is it a coincidence that nephrops and herring are in a good state at the moment and that the main predator of both those stocks is cod? The desire to have every stock at a sustainable level is unattainable, because mother nature is the main player. I was at sea for 40 years and I never experienced a situation in which all the stocks were in balance at the same time. Some stocks will be in a better state than others during different periods. I suggest that the present nephrop stocks

are such that they could well sustain a bigger TAC.

Danny Couper: The information that relates to the proposed regulation is already available. Our customers—the major five supermarket players—demand traceability. The technology has already been put in place to allow us to trace the fish that we buy back to the boat. I am not sure what the aim of the proposed regulation is. I suspect that it is part of a hidden agenda to do with quota fish or black fish, but the Commission should come out and say so. It should say what the regulation is about and should invite us to sit down and talk about it. We are willing to talk about the issue, which is a problem. The Commission is coming in the back door and that is unacceptable.

The Convener: Thank you very much, gentlemen. You have given us a wealth of material to put to the minister when we meet him to discuss the CFP. We are grateful for the time that you have given us. You are welcome to stay for the rest of the meeting.

I thank the new witnesses for a seamless transition. I welcome George Hamilton, who is secretary of the West of Four Fisheries Management Group; Andrew Tait, who is chairman of the Scottish Pelagic Fishermen's Association; Mike Park, who is from the Scottish White Fish Producers Association; and Robert Stevenson, who is chief executive of the West of Scotland Fish Producers Organisation. I hope that I have got that information correct.

Thank you for joining us and for giving up at least half a day to attend the committee. You are welcome to make a brief introductory statement before we move to questions. The best part of such evidence tends to come from members' questions.

George Hamilton (West of Four Fisheries Management Group): Thank you. The West of Four Fisheries Management Group is an amalgamation of different associations from Aberdeenshire, the Highlands and Islands and the west coast. We concentrate primarily on inshore issues and that is our perspective in responding to the CFP.

The Convener: That was commendably brief; thank you.

Andrew Tait (Scottish Pelagic Fishermen's Association): The fishing entitlement is the lifeblood of the fleet. We cannot afford to lose one tonne of fish. The Hague preference was given to member states that had fishing grounds on their doorstep and should be invoked more often. We view with caution the reference to allocation keys that are designed to reflect fishing activity, especially at a time when all stocks are fully exploited.

The fish stocks around the Scottish coast have been an important part of the livelihood of many rural communities. Fish stocks will always be one of our most renewable resources. We need to be vigilant to defend our right to fish in our fishing grounds. Because of the failure of the CFP, the pelagic fleet of which I am a part has moved from the drift net fishing that we practised in the 1960s, to ultra-modern fishing boats that can land good quality fish anywhere in the EU. We have made that move because the fleet is now international. The Dutch are the big players—their huge freezer trawlers can land anywhere in the world. Our tank boats, based in Ireland, Norway and Scotland, land in local ports where it is easy to check and monitor them, yet we have to compete against the Dutch fleet, which moves all over the world.

In the past 15 years, the Dutch have bought out the fishing entitlement of the Germans, the English and the French. They have also made inroads into the Scottish fishing entitlement. If the Commission cannot produce a level playing field for fishermen to work and retain our right to fish outside the 12-mile limit around the Scottish coast, where we have traditionally fished with drift nets for herring and mackerel, the common fisheries policy will not have worked. We hope that the review will provide the level playing field that we seek to continue to preserve the healthy pelagic stocks.

Mike Park (Scottish White Fish Producers Association): I am chairman of the Scottish White Fish Producers Association. As far as I am aware, I am the only active fisherman here today—apart from those who fish the rivers.

There is a perception that fishermen are the only bad wolves in the forest. There is no regard in the road map for issues relating to pollution, salinity, species interaction or sea mammals. The fleet is dependent on sustainability. I have two vessels and have made a substantial investment for the future. Sustainability is all about meeting the needs of the present without compromising future generations. The tool that can facilitate that is the economic impact assessment, which can help us to walk that fine line.

Last year, there were cod closures, reduced TACs and increased technical measures, such as increased mesh sizes. We still have no economic impact assessments to measure how we have managed with those programmes. My worry and that of the industry is that although we can see merit in some of the points in the CFP document, there is a tendency for the Commission to overrun and overheat. All the proposals are fine, but only if they are introduced at the appropriate moment—if they are introduced too quickly it could lead to the demise of the industry.

Robert Stevenson (West of Scotland Fish Producers Organisation): I represent the

members of the West of Scotland Fish Producers Organisation. Fish producers' organisations have a remit to undertake quota management and marketing responsibilities. Our main activities centre on the Minches—the North Minch and the South Minch—and, to some extent, the Clyde. Our members target primarily nephrops—prawns—but there is some bycatch of white fish and scallops, which are not covered by the European controls.

Because we are centred on the nephrop fishery, our main concerns are with the inshore activities—inside the 6-mile limit, where the stocks lie. Our main concerns about the proposals for the review of the CFP are the lack of detail—we do not know what is behind the proposals—the proposal that quotas be opened up to competition in Europe, and the possibility of individually transferable quotas. We are also concerned about the ineffectiveness of quota management as a conservation tool, the lack of action on industrial fisheries and, more generally, the broad-brush, one-size-fits-all approach that Europe takes to fisheries, which is not relevant to inshore fisheries.

16:15

Rhoda Grant: I will ask about the effects of the proposals on inshore fisheries. Will they enable communities to have more control over their fisheries and manage them better?

George Hamilton: There is no doubt that the retention of the 6 and 12-mile belts is a must. The proposal that member states should have additional powers out to 12 miles should enable them to manage their fisheries better. Within 6 miles, we already have those powers. As far as I am concerned, that extension is a must. It will be a good opportunity to manage inshore waters better. However, we need to think carefully about how the proposals interact with the regional advisory councils.

Mike Park: In the proposals—and even now—we have competence within the 6-mile limit. Rhoda Grant's question relates to the Inshore Fishing (Scotland) Act 1994, which already exists, regulating orders, which are specific to the Executive, and several orders, which mean that an individual can run a fishery. All the issues about which Rhoda Grant spoke are relevant now—particularly to the Executive.

Robert Stevenson: The West of Scotland Fish Producers Organisation hopes that there will be more devolved management for inshore fisheries, but, because of the lack of detail in the proposals and the lack of powers being given to the regional advisory councils, we doubt that it will happen.

It strikes me that the west of Scotland nephrop stock is managed by Europe. Most of that stock lies within the 12-mile limit and perhaps even the

6-mile limit, but we do not have management control over it. Even though we would still have control up to 6 miles, would Europe retain control of that stock?

Andrew Tait: The concern in the pelagic sector is that the control inside 12 miles, where we catch 90 per cent of our summer herring, might disrupt the pattern of the fishery if we do not have access, even though we are using big boats with big horsepower. That is where the fish are and where we have traditionally caught them.

Rhoda Grant: As the management is to be devolved, is there a case for having a nephrop quota for outwith the 12-mile limit and having everything caught within the 12-mile limit managed locally and controlled by the state?

Mike Park: I assume that the TAC would be for the total area, not for any devolved areas.

Rhoda Grant: Could we make the case that there be two separate quotas?

Mike Park: Scientists are big on models, which means that the situation has to be the same now as it was 20 years ago. I assume that it would be difficult to muster a case for a specific TAC for inside the 6-mile limit. I am not saying that it is not achievable, but it would be difficult.

Robert Stevenson: A precedent has been set, in that, as far as I understand it, the ICES proposals are based on a TAC for the inshore areas, such as area 6A, and in the past an additional 10 per cent has been added on for development of an offshore fishery. That 10 per cent has been removed on the basis of conservation of cod stocks, but I suggest that we have a precedent for splitting the stock. I am also concerned that we have devolved management for the inshore waters—I am not sure that we will.

Rhoda Grant: My concern is that if we do not have management of those quotas, there would be no reason for local fishermen to manage stocks and ensure that they were sustainable. They would have control over whether they could fish the stock if they accepted the management measures.

Robert Stevenson: I agree.

George Hamilton: I agree with Mike Park. The quota will be for the whole area, but the ability to implement management measures between 6 and 12 miles is well worth having. The proposals mean that we could also apply the measures to vessels of other member states that have access to the 6 to 12-mile belt. There tends to be a lack of opportunity for alternative employment in the affected areas, so the fact that we can now implement measures to 6 miles is extremely important.

Fergus Ewing: There is a fear that the regional advisory councils will be no more than complicated, overpopulated talking shops, and I hope that that is not proven to be correct. There seems to be no detail about what powers they will have, as has been pointed out.

I want to go back to the question of science. Whatever the structures and powers, science will drive the effort limitation and the TACs and quotas. I raised with Mr Farnell the idea of a new way of dealing with the scientists, which guarantees openness and access. Do you think that I am on the right track and how would you like the CFP to operate? Would legal access to the ICES to obtain the information that it has at the right time in negotiations make a material difference? Generally, how would you like a new relationship in which you felt that you had real input to the process to operate?

Mike Park: The process is evolving even today. As things stand, prior to the fisheries council in December, we meet the laboratory in Aberdeen three or four times a year, as the science comes in and the details for cod and haddock evolve throughout the year. Alex Smith said that he was at the ICES meeting two weeks ago in Copenhagen, which was a first for us. The Scottish Fishermen's Federation has a postal information booklet out just now and we receive information about what fishermen are experiencing on the ground, which is now being fed in at top level.

As things evolve, we can see a pattern emerging. Fergus Ewing is right that it is important that the councils are not just talking shops. The fishermen and their officials have a part to play. Initially, everyone will be guarded about their position, but we, as officials, have a role to play in ensuring that the councils are not talking shops. The councils must feed in directly to the Commission to allow critical decisions to be made.

Robert Stevenson: I might be radical, but I would like to see the whole process turned on its head. I would like to have the scientists meeting the fishermen and formulating policy at that level, which is funnelled into the national and European processes, rather than a top-heavy system in which the scientists, the Commission and officials meet the fishermen and pass policy down through the chain.

George Hamilton: I return to a point that was made about the need for access to information. I agree about that. I also refer the committee to the point that Mr Farnell made about the meeting that took place recently under the auspices of the North Sea Commission, which was a good example of fishermen and scientists getting together. It is extremely important that they do so.

Expectations are high about the formation of RACs. In earlier evidence, we heard that two member states are needed to form an RAC. They get together and begin to figure out what the membership should be like. RACs are fundamental to the success of other parts of the review. I am thinking of the multi-annual management plans and the ecosystem approach that were discussed earlier. There is a great need to consider further how those councils will be formed and resourced. We could perhaps use the financial instrument for fisheries guidance to resource them, but I am not sure about that. We have to think carefully about getting the RACs—or a good example of one—up and running. That is the way in which aspirations can be met.

Andrew Tait: I agree with Mike Park that, in the past few years, scientists and fishermen have come much closer together. We have regular meetings with scientists and are presently canvassing our members to ask their view of stocks. When I was a fisherman, I had a fair idea of what they were, as many fishermen do because we spend our lives out there and we have good fish-finding equipment. Fishermen are beginning to see that livelihoods are at stake—especially given the decline in fish stocks. They are also beginning to see that it is in their interest to have healthy fish stocks. I think that scientists and fishermen are moving along the same lines now.

Fergus Ewing: Various changes could be made to the multi-annual arrangements that set the amount of fish that can be caught. I presume that that would increase the need for interim changes to be made in the light of scientific evidence. It appears at the moment that it will be difficult to make changes to what was agreed in December. I am thinking of the fact that we still have a 10 per cent cut in the west of Scotland nephrops quota. That cut goes back two years now, despite the fact that everybody—even the gentleman from Scottish Environment LINK—agrees that the cut in the quota was not necessary.

How will all that operate? Even if the 10 per cent reduction was reinstated for the current year, it might be a wee bit late in the fishing season to make a positive difference. That said, I would be interested to hear what Robert Stevenson has to say. In a multi-annual world, will not there be a need for flexibility to allow adjustments to be made where the need for an adjustment can be proved?

Robert Stevenson: It is too late in the season for a 10 per cent increase to make a difference to our fishery, because the main fishing is over. We have managed the fishery on the basis of the figures that were set at the beginning of the year. It would be irresponsible, to say the least, for us to have done so on the expectation of a 10 per cent increase being available in September or October.

Given that the case was made last year, that is especially disappointing. We hoped that it would be taken up at the European fisheries council meeting in December last year. We did not get it and we just have to live with that. What was the other question?

Fergus Ewing: In a multi-annual world, in which the level of permissible catches are set for more than one year, will more flexibility be needed if stocks appear to grow in supply after the quota has been set? I assume that some sort of mechanism will be required to allow changes to be made in the case of applications that are made on a cause-shown basis.

Robert Stevenson: I am a bit sceptical about that. Problems arose at the December council meeting. The setting of quotas is based on scientific advice, but then politics comes into it and the horse trading begins. Everybody accepts that that is not the best way of doing things. On the other hand, if we were to move to a longer-term regime, it would also have to be flexible enough to take account of things such as changes in the stocks and the environment—I am thinking of the massive changes in the cod and herring stocks that happened a few years ago. However, it would be a bit unwieldy to go into that level of detail. The Commission might have felt that that was too hot a potato to handle at the December fisheries council meeting.

Mike Park: Fergus Ewing asked about the 10 per cent swing in the quota. Were you making a specific reference to nephrops?

Fergus Ewing: Yes.

Mike Park: There is a dividing line between the west coast and the North sea. Things are simple in respect of the west coast. In the North sea, with other stocks, there are bilateral arrangements with the Norwegians, so the Commission is reluctant to offer anything for anything other than nephrops, because negotiations with the Norwegians would need to start again. To do so would not be a good idea since things were sealed up in December.

On initial consideration, multi-annual quotas seem to be fine. They mean that we could set targets for three years and that we could budget accordingly. The only problem is that, if the wrong targets are run for three years, the redress will need to be large in year 4 to impact on the problem. A 5 or 10 per cent yearly swing would be fine, but a clear set TAC for three years would pose a problem on reaching year 4.

16:30

Andrew Tait: In the pelagic sector, we view multi-annual TACs positively. The annual horse trading in the EU talks with Norway is no way to run an industry. In the previous talks, the Dutch

made a proposal right at the end—at 4 am—that meant that we lost some of our herring. If there are healthy stocks of mackerel in a three-year cycle of stock assessment, perhaps there should be a move to a biannual TAC. Everybody would not have to troop out to Brussels in December and sit around until 4 am when they are brain dead to reach agreement. That is not the way to run a stable industry. I have been in Brussels often enough to see what happens. I am sure that, with healthy stocks, a biannual TAC could be tried in the pelagic sector.

Mr McGrigor: What is your view of ITQs? Is there a danger that the white fish sector may become like the pelagic sector, and that not many vessels will fish?

Mike Park: You must be clear about what you mean by ITQs. Do you mean internally tradeable quotas or international tradeable quotas?

Mr McGrigor: I mean quotas that can be sold to other countries.

Mike Park: So you mean international tradeable quotas.

Mr McGrigor: Yes.

Mike Park: We view those in a bad light, because they can wither relative stability. There are artisanal fisheries on the coast from Mallaig and Ullapool around the north to Shetland and Orkney. Many artisanal fisheries are dependent on quotas remaining in the area. If quotas became internationally tradeable, it does not mean to say that they would be lost, but there would be the opportunity to sell them. Some men can be hostages to fortune and I dare say that some fortunes might be made. We think that that avenue would wither away our national heritage. Rather than opening up that big bad door, we would prefer to keep it shut and keep things to ourselves.

Andrew Tait: We are also very much against ITQs. There are fixed quota allocations that we do not own in the pelagic sector, although the producer organisations do. We cannot trade them with another country. Dutchmen would buy all the ITQs with all their money, come to Scotland, catch fish with big freezer trawlers and land them in Rotterdam. We are afraid of that.

The Commission has spoken about free national trade in ITQs whereby each country could buy the fishing entitlement of another country. However, there should be a level playing field on which we can compete at the same level and not with those who cheat most, have most money and can buy most. Fairness is required and, with 11 countries in the fishing grounds, we have not found that yet.

Robert Stevenson: I have an additional relevant point about ITQs. A recent article in *Fishing News International* showed that ITQ

systems not only decimate the catching aspect of the industry, they also remove the shore side, because it is bought up by the big processing blocks. That happened in Iceland, which has an ITQ system.

Mike Park: At present, the Dutch can set up economic links and have flagships as a result of the Factortame judgment, which awarded them vast amounts of money. One third of the Peterhead tonnage is registered in Holland and is never to be seen in the north-east of Scotland. That has been done with great economic links. If the barriers were lifted completely, the situation would become substantially worse.

George Hamilton: I agree.

Mr McGrigor: I have a couple of questions. First, will Mr Tait expand on the statement in his submission about the danger of creating a bias in favour of landing blue whiting for human consumption? Earlier this year it was claimed that our whiting quota was being traded, which is detrimental to Scottish fishermen.

Andrew Tait: The Commission has spent five years trying to get agreement between Norway, Iceland and the Faroe Islands on the blue whiting, which is caught mostly around St Kilda and west of Ireland. During that time, while those other countries have been fishing without limits in international waters, we have had a restricted quota. The Dutch have been pushing to allow blue whiting to be used for human consumption, whereas the other countries fish the blue whiting for industrial purposes. We see the Dutch move as another ploy to get a bigger share of the quota. Fifteen years ago, we tried using the blue whiting for human consumption, but because the fish is difficult to keep, that was not a success. The Dutch claim that they will catch the fish for human consumption is just a ploy.

Mr McGrigor: I ask Mike Park whether the Commission's proposals are bad in essence, or whether the problem is caused by our interpretation of the proposals.

Mike Park: To a degree, the problem is with our negative interpretation. We must always be on our guard and nothing is as we want it, but the negative attitude and anti-European stance has caused us a lot of problems. If we had been proactive in trying to gain what we want the situation might be better.

Richard Lochhead: Total allowable catches will clearly have a crucial role in the CFP in distributing fishing opportunities and in maintaining relative stability. The other side of the coin is the additional emphasis that the industry places on effort limitation and conservation of stocks. How can the balance be struck between using TACs, which many people deem to be not conservation-

friendly—as was illustrated by the deepwater issue—and promoting effort limitation?

Mike Park: My personal belief is that, at the end of the day, those two will become one. It is difficult for that to happen at the moment because effort limitation—whether it is categorised as the number of days at sea or the number of days in port—is simply a way to bring the fleet in. In general, our association is in favour of effort limitation, but without square mesh panels, bigger mesh sizes and the reduction in TACs. Effort limitation would have been fine if it had been used on its own. We would never say that the law is an ass, but it protects a wasteful regime and, as such, brings people into conflict with the law.

When the fleet is reduced to a manageable size in relation to the stocks, we will be guided only by effort limitation. I do not think that the Commission would admit to that at the moment. However, I believe that we will be guided by the amount of time that people spend at sea, because the fleet will not be large enough to damage stocks.

At the outset, it will be difficult. I will use myself as an example. I have a certain amount of cod and five times as much haddock to catch. However, I am to be limited according to how much cod I can catch, so all my haddock quota will be rendered useless. It is not fair that on the one hand we are given a TAC, but on the other are prevented from achieving it. There seems to be a conflict and I do not know how the two requirements can be reconciled. In the end, the fleet will be so small that it will be easy for the Commission to use effort limitation to manage stocks. TACs will then be targets, rather than guidelines.

Richard Lochhead: Does that mean that relative stability would be measured by days at sea as well as by TACs?

Mike Park: Effort limitation will become a currency for TACs.

Robert Stevenson: I do not think that TACs are a good conservation tool or that they can work alongside a days-at-sea scheme. Without improved technical measures, it will not be possible to run a days-at-sea scheme. I am a firm believer in the vision that everything that fishermen take on board from their nets should be marketable. If that is not attainable, it should at least be our holy grail. There should be no discards of small fish. I do not think that TACs work or that a days-at-sea scheme will achieve all that is being suggested for it.

Andrew Tait: The pelagic sector is, on paper, the one part of the fleet that has overcapacity. We have the healthiest stocks. For four years we have had a days-at-sea scheme. It is oversimplistic to say that there is overcapacity in a sector just because it does not meet the MAGP 4 targets.

The Lassen report, which was commissioned in 1993, offers an assessment of herring and mackerel stocks at that time, which are now at a completely different level. Scientists are saying that herring stocks can stand a 60 or 70 per cent increase in the catch next year. Is there overcapacity in the pelagic fleet? We believe that it is now the optimum size for catching the quota that has been set and to land the fish in good condition during the season.

The UK fleet is judged as a whole for financial instruments for fisheries guidance purposes. I do not know whether the Commission has accepted that the fleet is not over capacity. Pelagic stocks are healthy, but because of kilowatt problems our members have had to move from three boats to two, and from two boats to one. We have reduced the number of boats in our fleet significantly, but our Irish competitors have replaced middle-sized boats with big boats, without reducing numbers. Will other member states be subject to the capacity rules to which we are subject? In Ireland there is a safety tonnage. When we hear about the Irish increasing their fleet, we know where the fish will come from—Scottish fishing grounds.

George Hamilton: I regard TACs and effort limitation as the way of the future. I do not see how allocations can be made without TACs or something similar. In future, effort limitations will be directed more towards bit discards, selective quay areas and close seasons.

Mike Park: Effort limitation will be combined with multispecies TACs. Instead of having separate TACs for haddock, cod and whiting, we could band them together in a points system for catches. Cod, haddock and so on would be weighted accordingly along with the amount of effort that the fishermen put in. That should get rid of discards.

Richard Lochhead: So that is the missing link. I was trying to work it out.

Mike Park: Yes. Forgive me—I should have said so at the time.

16:45

Richard Lochhead: Clearly, the next few months will be crucial. The minister will come before the committee in a couple of weeks. What is your message to him on how he and the industry should maximise Scotland's—and indeed the Parliament's—influence in the forthcoming negotiations? Do you feel that we have any influence in the CFP negotiations?

Mike Park: I feel that the SFF is loading the correct bullets, but the Executive is not firing them hard enough. It should be meeting Fischler bimonthly and laying things on the table. The deepwater scenario is a prime example of that.

Our line was the right one, but it was presented wrongly. The minister says that he last met Fischler at the previous Council meeting. I am afraid that that is not good enough. He should be meeting him regularly, banging his fist on the table and saying "We're having no more of this."

As far as what you might call cheeries from the Commission are concerned, we are the poor relations. We never seem to get any, while everyone else does. It all boils down to raw politics. Contrary to what Mr Farnell said, I do not believe that the deepwater issue came down to science. It is always a case of he who shouts the loudest gets the most. For example, if we have a problem with the Commission, we roll out a fourth-tier official. Do not get me wrong—they are good people. However, if the French have a problem, they roll out their fisheries minister; if that does not sort it, the Prime Minister gets involved. That is the difference between this nation and others. We have to make it clear that if we want a fishing industry for the future, the big guns will have to address the issue.

Andrew Tait: As 95 per cent of the pelagic sector is based in Scotland, the minister should be taking the lead. We speak to him all the time, but we do not know whether anything that we say reaches Elliot Morley. In any case, our comments are not put across as forcibly as we would like them to be. For example, processing and catching takes place in Scotland. We lost out on herring last year, but the Executive did not even know that that had happened until we pointed the fact out to its representatives when they returned from Brussels. They said that it was the rollover, or the status quo, or whatever. We told them that it did not look like that to us.

The Convener: You will be aware that the committee and the Parliament have often discussed the topic.

Robert Stevenson: I fully agree with Mike Park that the minister is not going in whole-heartedly. Last year, we asked the minister to tackle the loss of our 10 per cent in the nephrops TAC. Although we were told that Europe had received clear evidence that the deduction was unreasonable, we still did not win our case. As a result, we are not confident that the minister can deliver.

Fergus Ewing: Should the UK Government, after negotiations are concluded, make its submissions to the EC available to you so that you can find out what was put forward? There seems to be doubt on this matter. When I asked recently whether that information would be made public, Mr Finnie told me that it was confidential.

Robert Stevenson: Are you talking about submissions in connection with the 10 per cent deduction in the nephrops TAC?

Fergus Ewing: I mean all the submissions for the negotiations and also their scientific justification. Do you feel that they should be made public? I share your view that the 10 per cent should have been reinstated this year and admit that I am profoundly depressed that, although we are now in September, we still do not know where we are going on that issue.

Robert Stevenson: That goes back to my earlier point that fishermen should be included in the discussions at the outset and not brought in later at the fringes. If that happened, they would have a handle on what was taking place in the negotiations and on the scientific and political input, instead of simply being told the outcome after the fact.

Fergus Ewing: Mike Park talked about a multispecies quota with the points system being a solution. Am I right in saying that the solution would be to the problem of discards? Could you explain further how such a system would operate? Would it be essential for the managing of such a system to be a power that would be passed to the RACs in order to deal with the allocation of quotas between boats so that there would be no discards? Presumably, that would have to be managed at a local level.

Mike Park: I think that you picked me up wrongly. I never said that I thought that it would be a solution; I said that I thought that that was the direction in which the Commission was going. That is the only conclusion that I can see as a result of the various things that are being done.

Essentially, multispecies TACs would cut down discards. However, what is discard? Is it under-sized fish, over-quota fish or one of a series of definitions? Basically, it is everything that is thrown over the side.

Eventually, with a system of multispecies TACs, you would end up not catching one of the species. If everybody goes out and catches cod, you will be shut down with all your haddock quota to catch and if everybody goes out and catches haddock, you will be shut down with all your cod quota to catch. I would not say that multispecies TACs are an ideal solution, but the Commission appears to be funnelling all its reforms towards effort limitation.

A discard system is impossible to police. Norway cannot police its discard system. I work in the Norwegian zone every day and have done so for the past 25 years. No one has discards and no one gets charged for not having any discards. It is like speeding on a motorway—we all break the speed limit but how many of us get caught? Last year, when the Danish ran out of cod at the end of the year, they were dumping the small cod and keeping the big cod. I told the Danish official that

that had to be sorted out and he told me that they had done so by banning discards. Well, that must have scared the life out of the fishermen. It is a nonsensical measure.

I did not say that multispecies quotas would be a solution, but that that was probably where the Commission was heading. The only thing that can be administered seriously is the amount of time that is spent in port. The authorities can hold the fishermen to that.

Mr McGrigor: Mr Stevenson's submission says that

"the disposal of unsold fish remains one of the main tasks of producers' organisations and ... that the EU's policy on imports does not protect EU fishermen but seeks to secure a viable processing industry".

How can that problem be solved?

Robert Stevenson: I was highlighting a problem that I perceived in relation to the common market organisation paper, which was reviewed two or three years ago and which said, basically, that the EU was promoting the competitiveness of its processors. Alongside that policy, however, we have the problem of unsold fish. A situation in which the processors have a shortfall and we have unsold fish is incredible. The EU needs to sort that out. Does that help?

Mr McGrigor: It answers my question, but it does not help me much. You say that the situation is incredible, but why does it arise?

Robert Stevenson: The processing capacity in the EU is obtaining supplies that are more suited to its needs—possibly different but equivalent species at cheaper rates—from outwith the EU. The withdrawal system in the markets prevents fish from being sold below a certain price and, perhaps, processors want cheaper fish.

Mike Park: This year has been the worst for many years for withdrawing unsold fish. Prior to this year, we have not had the problem for years. The problem arose this year because we had a brood of haddock that was something like the third biggest in history. On the back of the previous brood of such size, Shetland built six white fish plants.

We have an abundance of fish of the same size, rather than some big ones and some small ones. That means that the merchants have a problem selling them because only one avenue—Marks and Spencer, Sainsbury's and so on—is open to them. The problem is that they can shift only so many of them. Believe you me, the fleet is trying to avoid them like the plague because the price has fallen. It is uneconomic for us to land those fish, so we are trying to avoid them. The predominant problem is that there is a big year class, which is our future, and that is why we are trying to avoid them. If they survive, then we survive.

Andrew Tait: In the pelagic sector, fishing is always about peaks and troughs. We try to support the processors as much as we can because we know that when the season is on they need huge processing capacity, but in the off-season, when all the ships are lying in the harbour, there is no fish coming in. It is very difficult.

That also happens in the white fish sector, which will not have enough filleters to handle all the small fish. How do we keep on all the staff when there is no fishing? That is what happens in the pelagic sector.

The Convener: On that note, I think that we will wind up. I was interested in what was said earlier about how it takes until 4 o'clock in the morning before a European negotiating committee goes brain dead. I am afraid that it happens rather earlier than that to the convener of this committee.

I thank the witnesses for coming along and giving us their time. You have had a long day and we appreciate your input. We now have a wealth of material to put to the minister when he appears in front of the committee next week.

You can leave the table but you are welcome to stay for the rest of the meeting, which will take only about three minutes.

Members will have received a briefing paper under the title "Options for action", which gives a number of options that the committee will have once it has heard from the minister. I have discussed that with the deputy convener.

I suggest that the best and quickest way to enter negotiations with our proposals is that I, as convener, write a letter outlining our recommendations for the priorities that we would like to pursue in the forthcoming negotiations. The letter will be sent to some—I would suggest all—of the minister, Ross Finnie, the Scottish MEPs who are on the European Parliament's committee on fisheries, the convener of the Scottish Parliament's European Committee, and the European Commission in the shape of the commissioner, Franz Fischler. Does anyone disagree with that suggestion?

Fergus Ewing: No, but perhaps we should also send a copy of our recommendations to the Department for Environment, Food and Rural Affairs and the minister at Westminster so that they are aware of our views.

The Convener: I have no great difficulty with that. Is everybody happy?

Members indicated agreement.

The Convener: It is also proposed that we should get our views into the legislative process more quickly by writing a letter rather than

producing a formal committee report. We can still arrange for that letter to be made public on the committee's web page. Do members agree with that?

Members *indicated agreement.*

The Convener: Rather than causing a delay by bringing a draft letter back to the whole committee, does the committee agree to me signing it off, perhaps in conjunction with a couple of reporters? Are there any suggestions for two reporters to agree that letter?

Fergus Ewing: Richard Lochhead.

Rhoda Grant: Alasdair Morrison.

The Convener: Are members content with that?

Mr McGrigor: Alex Fergusson.

The Convener: As convener, I will be there anyway. Are members content with that arrangement?

Richard Lochhead: Why do we not have three reporters and include Jamie McGrigor?

The Convener: Okay, I have no problems with that. Is Jamie McGrigor happy to comment on the draft and sign off the final agreement?

Mr McGrigor: Yes.

The Convener: In that case, thank you for your attendance.

Richard Lochhead: We heard from John Farnell from the European Commission today. Unfortunately the commissioner, Franz Fischler, could not make it.

The Convener: You made that point earlier.

Richard Lochhead: Could we write to Franz Fischler with an open invitation to come before the committee if he is in Scotland before the CFP negotiations are over?

The Convener: I suggest that we enclose that invitation when we send him our recommendations.

Richard Lochhead: Okay.

The Convener: Good. In that case I close the meeting.

Meeting closed at 16:59.

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