

Newfoundland Union "doesn't get it," producers contend (Editorial Op-ed)

SEAFOOD.COM NEWS [Associated Seafood Producers of Newfoundland) July 25, 2008 - FFAW union President Earle McCurdy, in a phrase, doesn't get it.

In an op-ed written by McCurdy and carried by Seafood.com on 17 July 2008 McCurdy suggested that the problems of the Newfoundland and Labrador fishing industry are to be placed on the backs of the province's producers, and more specifically, poor marketing efforts and ignoring European markets. To that he adds some shoddy characterizations of the efforts of Producers to seek legal remedies where deserved. It's a classic red herring, and easily challenged. More bluntly, it's all whine.

First, the Association of Seafood Producers (and SPNL in its regard) have legal recourse on a number of items, and are right to exercise them. The funds disbursed in these actions would do nothing to address the problems in the industry, and wouldn't pay for the smallest portion of a marketing campaign anywhere we sell, never mind impact on raw material.

More substantively, McCurdy assumes - naively or otherwise - that better marketing and a switch from US and Japanese markets is the solution to the sick man that is the Nfld fishing industry. The stick in his own eye needs addressing first.

Newfoundland & Labrador has structured its fishery for wealth dissipation, largely on the insistence of people like Earle McCurdy. We have overcapacity in harvesting and processing, which means economic costs given that our enterprises and facilities sit idle when in other jurisdictions they are making returns on investment, and that we have capacity we just don't need.

We have million dollar boats, and two million dollar boats, and multi-million dollar fish plants that all work for months, if not mere weeks. That's underutilization, or to look at it another way, overcapitalization: monies unavailable for investment in tourism, small business, education, training or even retirement funds. It's the opportunity cost of our structure. And McCurdy has fought the very rationalization and consolidation in the processing sector which would allow better margins and the very investments he talks of.

Ask yourself: has it worked? Rural Newfoundland and Labrador secure on the returns of the fishery? The resource better managed as a result of the current structure? Our young people opting to stay home for the bright promise of the fishery?

If the fishery is to progress beyond a mere employment scheme, it must be allowed to operate as a business. The business to business relationship of enterprises and processors should be acknowledged. Systemic changes need to be sought in the structure.

But in Earle's world, just push the price in the market up, solve the raw material price, and all will be well. He sees the storm coming no doubt, in still higher fuel costs and an industry model that is unsustainable. But in a competitive world market, consumers will not automatically accept the buck Earle wants to pass.

GM and Ford did not lose their billions of dollars in 2006 and 2007 because some guy in the parking lot forgot to flip up a higher price tag. They lost money for structural reasons. Likewise, the world will not pay for the structural deficiencies of the fishing industry in Newfoundland and Labrador.

Pointing the finger at processors with shoddy characterizations of our market abilities might curry some union favour, or get a laugh in the kitchen, but it won't address the real problems we face. Instead, it will continue to stoke fires of antagonism and prevent real attempts to solve the problems that do exist. It's a small world, but it is Earle's world.

And at the end of the day, Producers have 30 years of experience in Earle's world. It's time to get past toleration of what has not worked, and time instead to seek real solutions for all industry players in the province: harvesters, plant workers and processors.

Status quo is not an option, and plugging this or that leak will not float this industry. Only a free market that put dinner on Earle's table last night and clothes on his back will free the Newfoundland & Labrador fishery to its full potential, including increased returns, better margins, and a viable future.

Otherwise Earle's right: a freight train is coming. On that much we agree. Sadly, it's been on track for some 30 years.

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