HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Fisheries and Oceans

FOPO • NUMBER 131 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Wednesday, February 6, 2019

Chair

Mr. Ken McDonald

Standing Committee on Fisheries and Oceans

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● (1530)

[*English*]

The Chair (Mr. Ken McDonald (Avalon, Lib.)): Pursuant to Standing Order 108(2), we are studying the regulation of west coast fisheries.

Ken Hardie is here, but I don't know where he is. We have to start.

Again in this time frame, for the first hour of the session, we have witnesses presenting. By video conference, we have Mr. Dave Moore, a fisher from Vancouver, British Columbia. We also have here in person, as fishermen—or fisher people, I guess—Ryan Edwards and James Lawson. From Marlson Industries Ltd., we have Arthur Black Sr., owner, and Arthur Black Jr., fisher.

Gentlemen, we'll start with testimony. It's limited to seven minutes or less.

We'll start with Mr. Dave Moore. We do have his presentation. Members all have a copy.

Go ahead, Mr. Moore.

Mr. Dave Moore (Fisher, As an Individual): Thank you.

Good afternoon, committee members.

I have a presentation that was delivered to the Steelhead Society of British Columbia last Saturday, and I'm going to be presenting a much abbreviated version of it. I'd ask you to be patient. I'm only going to point you to certain slides within the deck. Is that all right?

The Chair: Yes, you're good to go.

Mr. Dave Moore: All right. The presentation is about licensing as it relates to the recovery of salmon, Pacific salmon at risk, and improved economic performance through licensing.

This is informed by about 15 years of research in the Fraser River and other major salmon rivers in British Columbia. I've also provided as evidence a document called “River to Plate”, co-authored with a lady from the University of British Columbia about 10 years ago.

The first page refers to the Canadian Science Advisory Secretariat's recommendations to COSEWIC regarding declining stocks of Interior Fraser steelhead, an anadromous form or a sea-run form of rainbow trout that is ubiquitous throughout the major rivers and lakes in British Columbia. The stocks are under serious threat of extirpation. They're following a long line of similar Pacific salmon problems we've had, particularly in the Fraser River but elsewhere as well, with Interior Fraser coho, Cultus Lake sockeye and, most recently, chinook salmon. This pattern has been repeated in industrialized fisheries around the world. The problem with these declining stocks or weaker stocks is that they're choking off our marine mixed-stock fisheries, creating financial liabilities, social disruption and industrial chaos for sure.

I'm going to refer you further into the deck. In the middle of the deck there's a page called “Observations of a Steelhead Technician”. I've spent 40 years as a certified fisheries technician working with Pacific salmon throughout British Columbia. I'm zeroing in now on Thompson River, and here are your Fraser River steelhead. These are summer steelhead. They arrive from September through December. Their historic timing is believed to be fished out. They were a victim of bycatch in gillnet sockeye fisheries off the mouth of the Fraser River as these steelhead were returning to spawn.

After the sockeye populations declined, our commercial fisheries shifted to chum and pink salmon, and as the emphasis shifted to chum and pink, so did the bycatch impacts on the remaining populations of interior Fraser steelhead.

We've moved to selective known stock fisheries in rivers so we can release steelhead, coho and chinook salmon that aren't productive or endangered, and we found those most effective in allowing us to get enough fish on the spawning grounds. We've had more difficulty in the marine mixed-stock fisheries because we simply can't tell which river they're going to, which stock they belong to.

I've observed significant Thompson River steelhead and Interior Fraser steelhead, in the purse seine fisheries in Johnstone Strait, as they're moving down the coast of British Columbia heading to the Fraser River and their spawning grounds. I was seeing 100 plus fish in the holds of the purse seiners. This was followed up by one of the certified third party observers, J. O. Thomas, who does observing for the Department of Fisheries and Oceans. He also observed significant Thompson River steelhead in these chum seiners. He also reported 30% to 90% plus non-reporting, with the fishery either not reported or sold as coho.

We've tried hatchery augmentation in the past, back in the eighties. We just found that the natural populations were seeding the habitats that were available, and we weren't getting anywhere with hatchery augmentation. It just didn't help to restore the stocks.

I'm going to refer you further into the deck now to an overlay graph of the catch and escapements of Interior Fraser steelhead contrasted with those for the chum salmon fisheries where steelhead have been found as bycatches in the last 25 years.

● (1535)

The blue line that you see across the top of the graph is the catch and escapement of Thompson River steelhead. The bar graphs along the bottom are the catch and escapement of chum salmon. The green circles point to where the years of low chum fisheries were getting sufficient or more steelhead returning to the spawning grounds. The red circles show that during peak mixed-stock fisheries of chum salmon, we're getting less Thompson River steelhead to the spawning grounds.

What's particularly interesting about this graph is that, as you look towards the end of the term on the table, you can see that the orange line is the aboriginal fishery in the lower Fraser River. There were concerns expressed in the late 80s and early 90s about the aboriginal bycatch of steelhead in these chum fisheries, but because of the aboriginal fisheries strategy, the Sto:lo nation and lower Fraser first nations that were killing these fish in their gillnet fisheries were pushed into using beach seines. You can see that the orange line at the bottom right-hand corner of the graph is almost flat—less than 100 fish in the last 10 years. That's because they were using selective beach seines and releasing the steelhead.

Interestingly enough, you can see during that same time frame that the number of steelheads started to recover for a while, and you can see that the sport fishing catch increased.

The problems with Thompson River steelhead are complex, but we have to learn how to reduce our fishing impacts if we really want to recover these stocks. The licencing of in-river fisheries is helping us to reduce that impact while still having economic opportunities from these fish.

I'm now going to refer you to a cartoon further on in the deck entitled “Growing Selective Known-stock Fisheries”. These kinds of fisheries have been practised for more than 25 years, and they're becoming an active part of our modern commercial fisheries. It's very difficult to target the strong stocks and avoid the weak stocks when you don't know what stocks you're catching. Under the Department of Fisheries and Oceans' Pacific integrated commercial fisheries initiative, we've voluntarily bought out and transferred licences in river, and we're able to then target the stocks of fish that are productive and avoid the ones that are less productive.

The next page is entitled “Economics of Surviving Climate Change”. The species and life history diversity of Fraser River Pacific salmon and steelhead—that is, the local populations—protects the vitality of Pacific salmon so that it can survive climate change.

It's much like Canada geese. We have 12 different races of Canada geese that breed in the Arctic, all the way down into southern British Columbia and the Prairies. They're all different races. In the Fraser River, there are more than 30 distinct life history traits or races of pacific sockeye salmon, and we currently only manage for four because it's too difficult manage—

● (1540)

The Chair: Mr. Moore, I'm going to have to end it there. We've gone more than a minute over the allotted time. I hope that during the questioning you can get more information out.

Mr. Dave Moore: Thank you.

The Chair: We'll move to Mr. Lawson for seven minutes or less, please.

Mr. James Lawson (Fisher, As an Individual): Honourable Chair and members, thank you for having me here to listen to my story.

For those of you who don't know me, I am James Lawson, and I'm a career fisherman. I come from the Heiltsuk, Tsimshian, Nisga'a, Haisla, and Gitxsan nations. I sit on the area B salmon area harvest committee, and the Wild Salmon Advisory Council for the Province of British Columbia. I've worked in 10 different fisheries from nets, to diving, to traps, and I've also participated in FSC fisheries, and charters monitoring the central coast herring stocks.

I've constantly been told to get out of fishing because the future looks bleak. I have pursued other options. I have a Bachelor of Science, and I'm a certified commercial diver, but I have no intention of quitting fishing. It is the way of my people, and this unbroken chain of tradition goes directly through my parents and grandparents all the way back to time immemorial.

The act of deriving wealth from the sea is a cornerstone of our culture. Heiltsuks say that when the tide goes out, the table is set. Right now, however, the table is slanted away from us commercial fisherman. This is the era of the leaseholder. Fish harvesters are paying more than ever for access, resulting in low value for them and their vessels.

Over the past 14 months, across eight different fisheries, every vessel I have worked on had a lease agreement. When I was diving for sea cucumbers in the winter, our landed value was $8 at the dock, but $5 went directly to the leaseholder, and another dollar went to monitoring and activation fees of the license. This left $2 to be split between the boat and the crew, after the other expenses associated with fishing, such a food, fuel and physical costs, were paid.

Fishing is the deadliest occupation in British Columbia, but it also takes its toll on the living. This lowered wage has ramifications. It makes it hard to find experienced crew and to maintain the vessel, compromising the safety of the operation.

When the margins are so thin, there are very real risks of not earning anything. Even getting to the point where you can accept that risk will likely involve being tied to a processor that paid the lease fee upfront on your behalf. This puts them in control of the price, where and when you can fish or offload, and gives them a mechanism to maintain a steady supply of fish instead of harvester oriented strategies, like good prices and service.

If you're wealthy enough to be able to afford your own lease costs, you still have to find the quota in a system with no transparency. If you can't, you might wind up in the aforementioned scenario since you'll have to lease from a processor.

The reason so much access is held by non-harvesters is the prohibitive prices of licences and quota. Speculative investors, both domestic and foreign, are realizing a safe return on investment since the harvesters are bearing all the risks and have no other means of attaining access in many cases. Compounding this problem is the influx of government money and the market by the PICFI program. Willing buyer and willing seller is a part of how the program is run, and willing seller often meant PICFI buying at very high prices.

High prices led to high lease rates and high lease rates lead to struggling harvesters. Struggling harvesters cannot afford to purchase quota or licences. The PICFI program was designed to increase first nations' access to commercial fisheries through a buy-back program, but in current market conditions even they have trouble competing for purchase. Many of the licences they do purchase go back to the open market to the highest bidder, creating revenue for a program or first nations band without having any band members fish it.

Without a rigid set of rules to enforce, CFE directors are in a tough position, having to answer to people who want to fish and people who want to use the licences as revenue streams. This geoduck season, I found myself out of a job because a company paid the lease fees upfront to secure quota from the CFE that services my band. They never found an opportunity to get me out on the grounds. It was left late and spread to other boats without first nations harvesters on it, in an attempt to get it out of the water before the season's end so they would not lose their upfront payment.

Having these licence banks for first nations is important to enhance our access, but it's not the only entry point for us. Shifting toward owner-operator policies will be a direct line to increasing first nations' access to commercial fisheries. We already make up a large proportion of the harvesting fleet and have the skills and knowledge to be successful after buy-in.

A labour shortage is on the horizon. New entrance points to replace the greying fleet cannot afford to buy in, except for exceptions such as family-oriented succession plans. If nothing is done to make fisheries viable for them, B.C. is going to lose its ability to get fish out of the water because there will be nobody left. British Columbia isn't going to be able to reap benefits from its own resource unless we take in hired help from outside the province and lease our benefits in a different manner than we currently are.

Even if we did regain skilled fishers in the future, it would be difficult from the loss of intergenerational knowledge. First nations will acutely feel this loss of knowledge in the FSC fisheries, which are often fished by the same commercial fishers. We need to define a transition plan, an endgame, now and set timelines that will force action to avoid this fate. I'm wary of using the current advisory boards in place for consultation processes since they are controlled solely by harvesters.

My own experience on the area B salmon area harvest committee illustrates how it may not be an effective vehicle for consulting harvesters in this transition. On this board, we hold our meetings in the Canadian fish building in Vancouver. Every potential member needs to be nominated by a licence holder and nominees are then voted on by those same licence holders. I got on the board by acclamation, since the same licence holders in the seine fleet did not nominate enough people to warrant a vote.

In light of all this, I have some key points about the transition plan going forward. One, every fishery needs its own plan made in partnership with DFO, licence and quota holders and active harvesters. Two, every fishery needs its own self-produced vision of how the fishery should look after this transition. It must be made through consultation between active harvesters and DFO. Three, fair-sharing agreements must be made between active harvesters and licence and quota holders for the duration of this transition and it must be enforceable. I support percentage-based shares after expense, so everyone shares in the risk and reward. Four, licences should no longer be forced into marriage to help affordability and increase capacity to lure in new entrants. Five, licence length restrictions should slacken to afford more flexibility and diversification. This could also be considered a safety measure. Six, a public and transparent licence and quota registry should be created so we have a grasp of what's happening going forward. Seven, hard dates must be set for every objective to force action.

This will get us on the right path, but there need to be defined goals of the transition plans and these goals may include, first, enacting owner-operator policies, which would result in Canadians holding access to the resource, food sovereignty and the distribution of wealth to where fisheries take place. Second, the transferability of choke species should be dealt with effectively. An open market among harvesters of choke species, but owner-operator policies for target species, is an option. Third, every fisher from each fleet has to join an organization that has the harvesters' interest in mind. Fourth, a loan board should be set up once systemic problems are fixed by transition. Fifth, we need effective domestic marketing of local seafood to capitalize on the food sovereignty associated with this plan.

● (1545)

Enacting this would result in B.C. capitalizing on its wealth from the seas and halt the economic leakage currently taking place. These leaks occur when investors take the lion's share of the wealth—sometimes all the way to foreign soil—from communities that support fisheries. DFO has a responsibility to ensure that the wealth from our common resource goes to B.C., and not elsewhere. Even one leak of wealth outside the province is too many.

The proper distribution of wealth isn't just about money; it's also about the social and cultural aspects attached to fishing. Fishermen serve many spinoff economies, such as food, fuel, vessel service and gear merchants. The government is already heavily invested in us through harbours management, monitoring and enforcement, habitat, and processing. It seems folly to let this money go elsewhere.

Freeing up the licences for B.C. harvesters using the aforementioned strategies will create good jobs. Getting full value for catch will mean that every boat needs less access, and others can partake in the fishing life. This is a tall task, but it is not just policy change; it's also capacity-building for the future. Be our champions and keep us viable and we will be champions in taking care of the small coastal communities. After all, fishing is not just the physical act of harvesting fish. What we have is worth protecting, as it is part of our identity as a province. We do not wish to have our knowledge, values or jobs extinguished, but that is the path we are on. Upholding us upholds food security, culture and other intangibles that make communities tick.

We Heiltsuk feel as though a piece of us is dying, and I'm certain other communities feel the same. Some people might feel that the transition is a tough pill to swallow. I would invite them to come and endure the conditions we do and know that they will collect only 20% of the value of their harvest. Losing entire fishing fleets is a very real danger.

We want it kept simple. When it comes to paying people for catching fish, pay the people in the gumboots out there catching fish. This will give us the tools we need to take care of our communities.

Thank you.

● (1550)

The Chair: Thank you, Mr. Lawson.

We will now go to Mr. Edwards for seven minutes or less, please.

Mr. Ryan Edwards (Fisher, As an Individual): Hello. I'd like to thank the standing committee for the opportunity to speak about the issues in the west coast fisheries. I've come to ask for your help.

My name is Ryan Edwards, and I'm a fourth-generation fisherman from the small coastal community of Ucluelet on Vancouver Island.

I started fishing with my father and uncle when I was six years old. I remember my dad talking to my mother to see if it was possible to miss the first week of grade 1. She said no.

Voices: Oh, oh!

Mr. Ryan Edwards: I always knew I would work as hard as I could to make my living from the sea. Fishing isn't just a living; it's a way of life, and it's a profession I was born to do.

In the last 30 years, the Pacific coast fishing fleets have been decimated. Where we once would see boats as far as the eye could see, it is not uncommon to go days without seeing another fishing boat. Some will say that our fishing fleets were rationalized due to the conservation issue—too many boats catching too few fish. Others will point to the sports priority and the move toward tourism-based businesses, or even to the region-backed fish farms, which dropped the price of wild salmon and drove the largest processor to get the salmon as cheap as possible, as they own the majority of the seine fleet.

At any rate, we had our fair share of enemies in the early 1990s. My family relied on salmon for the majority of our income, but we also prosecuted several other fisheries. As salmon fishing collapsed under the Mifflin plan, we were diverse enough to switch to dogfish and survive the initial storm when most did not. In 1998 my father and I purchased a retired packer and converted it back into what it once was—a longliner. Our vessel had already fished a lifetime. It was built in Prince Rupert in 1927, and was built to fish halibut. Our salmon trawler was retired, as it wasn't big enough. Dogfish is a volume fishery, requiring us to catch large amounts to be profitable.

We lived under extreme duress, constantly fearing that every year would be our last. As the world changed, the need to be accountable for our bycatch became a reality. The fisheries on the west coast are in many ways the gold standard. Every fish we catch in the hook-and-line groundfishery has to be recorded and accounted for. Although we can discard juvenile fish, we have 100% retention of all rockfish. This has led to very specialized fishing. The days of getting bait, ice, grub and fuel and going out fishing without knowing exactly what you were doing is a thing of the past. Everything we catch is on camera, and is reviewed every trip to ensure accuracy in our reporting.

This meant that our vessel, which up to this point had brought in just dogfish, had to bring in all fish. Even though that meant we now were able to land our catch of more valuable species, which should have made our business more profitable, that wasn't the case. We had to find and lease quota for the fish we caught. We didn't have the access to capital to lease quota ourselves at the beginning of the season. The company we sold dogfish to tried to find access, and struggled mightily and failed. After that, we were forced to find another company to deal with the bycatch.

The end result of this was that our fleet of 15 to 20 active dogfish vessels, mostly smaller boats, couldn't make it work. With fishers in Massachusetts ramping up their dogfish fishery at the same time, that spelled the end of our fishery in 2011.

We shifted our efforts to halibut. As we were the top dogfish boat for 10 years, our reputation enabled us to stay in business. We also got access to a sablefish licence, which we leased for three years until, worried about access, once again we borrowed heavily, partnered with our processor, and bought a sablefish licence. Even though we'd improved our situation, working 20-hour days and fishing 200 days a year, it didn't become more profitable; now, being leveraged to the max, we were too vulnerable. We had managed to get our foot in the door buying licences, but we still didn't own any quota.

With the price of quota being what it is, there is no way for us to ever buy quota in any amount. With quota holders holding all the cards, we are facing the loss of our business. Both the fishermen and the processors who don't own quota are being blackmailed by the armchair investors. If they don't get maximum price in the market, they simply threaten to pull their quota the coming year.

The major flaw in this management plan is the fact that we have failed to protect the fishers who harvest the resource. In Alaska and on the east coast, they have owner-operator. In order to get our fisheries back on track, I believe we must work toward this goal. This will not be easy. It will take some time. But after talking to fishermen from the east coast and comparing notes, I am not afraid to say that I was envious to hear about their loan programs and their thriving boat-building industries as compared with our coast, where the only new boats, with a few exceptions, are the factory trawlers brought in from European countries, which are now over here. Does that make sense?

As we go into the future, what will our B.C. fisheries look like with fewer and fewer entrants? As of right now, finding young people to come into the workplace is getting harder and harder. They know that they have almost no chance of buying their own boat or licences. Who wants to do such tough mental and physical work if it's not worth your while or if you know there's no chance of advancing into the captain's chair?

● (1555)

It doesn't have to be this way. By forcing fishers to sell at the end of their careers and keeping the fish in the hands of the fishermen, rather than some nameless, faceless corporation, we will ensure not just the health of our seas but also give fishermen the responsibility of being the stewards of the resource, protecting their livelihood.

Food security is becoming more and more important, and with the world facing extreme challenges with climate change and ocean acidification, we should be looking for better management of a public resource rather than letting it be sold to the highest bidder. We should look to our past for the road to the future and learn from their mistakes.

Please help us get our industry back on the right track to ensure that future generations can have access not just to delicious seafood, but also to thrive.

The Chair: Thank you, Mr. Edwards.

We'll go now to Marlson Industries Ltd. I believe Mr. Black Sr. is going to do the talking.

When you're ready, sir, you have seven minutes or less.

Mr. Arthur Black Sr. (Owner, Marlson Industries Ltd.): Thank you for the invite. I'm happy to be here.

My name is Arthur Black Sr., and I'm here with my son Arthur Black Jr. We're both Namgis First Nation members. I've been a commercial fisherman with my previous and present family, right down to my grandchildren—they actually fish with us. I have been a small business owner-operator in the commercial fishing industry for over 40 years. I've also commercially fished in Alaska with my family, and we've been down to Washington and Oregon, fishing commercially there also.

I believe that a policy needs to be put in place to protect commercial fishermen, native and non-native. It needs to be a top priority. We need to be looked after in the same way as fishermen are on the east coast and in Alaska. They look after their fishermen. They actually care about them.

Fleet separation needs to be another policy that has some enforcement bite to it. We don't need to have fish buyers, plants, stakeholders, investors, smart money, foreign ownership and so on. They are not commercial fishermen; they're nothing but landlords.

The number of licences that a party or parties can own and control really needs to be looked at, especially at some of the bigger fisheries —salmon, dragging...herring, and right into halibut. The reduced-fee native salmon licences that were for salmon and herring, which was part of a program many years ago, along with the present PICFI program, in my opinion should get a failing grade. PICFI is not helping independent commercial fishers like me and my son, and others, as you've already heard. The licences that were intended to be owned and operated and financially beneficial to their native owner-operators are now being wrongfully held. They're being held by control contracts, leaving the beneficiaries of those entitled licences to people who don't belong with them. A safeguard policy needs to be put in place to protect native fishermen and non-native fishermen with regard to the licensing.

Personally speaking, getting back to this PICFI program, we have in our family a single licence, an old boat. It's 91 years old; it's in reasonably good shape. We have a northern licence, and we've been applying for over four years to the PICFI program, at multiple levels, and it's not working. It's plain and simply not working. Licences are going to the highest bidder and to people who already have licences, and they are leaving us on the beach like they did last summer. We sat on the beach and never caught a fish, watched people fish in our territorial area. I had applied at multiple levels, at multiple places, and given it my best effort. I'm happy to be here to speak about it.

In regard to the quota fisheries that are in place, if they are to remain in place after this review, they need to be going to the individual fishermen. They should be non-transferable, and they should be made to be fished by the person who's on the quota... with their own vessels—not a stick boat. Stick boats aren't doing anything for our industry.

Basically, for stick boats, their only means that I can see.... And I've been doing this. I grew up on the boats, just like my two grandchildren in the two pictures I sent around. One of them is my namesake, the youngest one of the two. The other one is actively fishing with me.

● (1600)

These stick boats are only a means to hold and control the industry for the select few that the holders choose to allow to go forward. My opinion is that owner-operator, plain and simple, is the only way this is going to get sorted out so that future generations will actually have a fishery and some sort of security.

We should be looking at what the east coast is doing, or what the Department of Fisheries and Oceans is doing; they are trying to help look after the east coast. Why is it that we're not being looked after on the west coast? Having fished in Alaska—and we did five seasons up there—I'm quite aware of how well they look after their fishermen. They would not tolerate what's going on in our province. It would not be tolerated, plain and simple.

In closing, please don't reward the people who put us into this predicament. They don't need four years to sort out a licence and then benefit from the next cycle run. It should not be more than two years for them to relinquish what they shouldn't be owning.

The only thing I can say is that my own son is now five and I don't want to tell him he can't go fishing anymore because it's unaffordable. I'm the sixth generation of commercial fishers and I don't want it to end there.

Thank you for listening.

The Chair: Thank you, all of you, for your presentations.

Before we get into the questions round, I would like to welcome Chandra Arya, the MP from Nepean, and Pamela Goldsmith-Jones, West Vancouver—Sunshine Coast—Sea to Sky Country. That's a long riding name.

Welcome to FOPO.

Now for the rounds of questioning, we start with the government side for seven minutes or less, Mr. Hardie.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Her business cards are as long as a decent-sized chinook.

Some hon. members: Oh, oh!

Mr. Ken Hardie: James, I want to talk about sea urchins and sea cucumber. I heard some stories offline about the gap between what fishers are getting at the dockside and what these things are actually selling for further down, after processing and hitting the market.

Do you have any data on that?

Mr. James Lawson: I know I've looked it up on the Internet before because the main market is in Asia, so I can't really walk down to the market and check it out, but I've seen uni selling for over $100 over there.

Mr. Ken Hardie: Is that $100 a pound?

Mr. James Lawson: Yes.

Mr. Ken Hardie: And what do the fishers get at the dock?

Mr. James Lawson: For green sea urchins, it's been a pretty good year: we're getting around $3 a pound, and for reds we're getting $1.60.

Mr. Ken Hardie: Is that a quota fishery?

Mr. James Lawson: It is—untransferable though.

Mr. Ken Hardie: Non-transferrable?

Mr. James Lawson: Non-transferrable. They're vessel quotas.

Mr. Ken Hardie: Okay, so an individual vessel quota.

The individual vessel quota system is what was first brought in before they made everything transferable. Did that seem to make sense at the time, and of course, now looking back with 20/20 vision, going back to a non-transferrable quota, would that also make sense?

Mr. James Lawson: Yes, it makes really good sense to me, except for the exception of choke species, where you need to have a little bit of fluidity to make sure you can keep your boat in the water and not be taken out for catching 131 pounds of yelloweye, or something like that.

● (1605)

Mr. Ken Hardie: One thing the quota system has done is that it's helped to rationalize, as in explain, what happens with bycatch. So if you catch a certain number of things you don't actually have quota for, you're able to find somebody with quota prepared to sell it to you so that you can actually land that fish, or bring it in.

Let's say you catch 100 pounds of something and you need quota in order to take it in and land it, what's the process for finding that quota?

Mr. James Lawson: To my knowledge, most of the time you have to go your processor, because they're the ones who are in the know of what quota is where, but I think Ryan might be better suited to answer this question.

Mr. Ken Hardie: Quickly, if you could.

Mr. Ryan Edwards: Okay, I'll try to make it quick.

Our processors take care of us. They have all of the relationships with the quota holders; we have no relationships with any quota holders. Basically, I get a shopping list to go out fishing every week and they cover me off and everything, and they have all of the relationships. I pretty much don't have any relationships with any quota holders; it's all done by my processor.

My processor and I have to work hand-in-hand. Without my processor, I wouldn't be fishing.

Mr. Ken Hardie: Fair enough. Processors are the pivot point.

Ms. Goldsmith-Jones has a couple of questions. We'll turn some time over to her.

Ms. Pamela Goldsmith-Jones (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Thank you for inviting me.

In my riding, not a day goes by when a constituent doesn't raise an issue of commercial, recreational, indigenous ownership, habitat protection, ocean warming, open-net fish farms, or the threats to a sustainable fishery. I'm very privileged to be here.

I'd like to ask Arthur Sr. In your opinion, what is the way to transition to a better owner-operator balance? It certainly is a serious threat to the status quo. If we wished to go down that path, how would you advise we go about that?

Mr. Arthur Black Sr.: If you're going to have owner-operators, there are people out there who would like to purchase. If you're competing per se—like with what PICFI did—the reason the licenses are where they're at is that they went on the open market with an open chequebook. What do you think is going to happen if you have two licenses to pick from and, basically, owners would know each other? The price is going to go up.

In the case where you would choose to do fleet separation and you give a reasonable time, and possibly give concessions—maybe from the government's point of view—if a company were going to voluntarily turn their licenses over to fishermen, there are other ways it could be looked at. It could possibly be a tax concession. There needs to be a time limit on it, otherwise there's no incentive for them to want to sell it to able parties.

I started off with the fish plant. They helped me out with my second boat—to get a better boat. They helped me with the whole thing. They're all but long gone. The present companies here are different. They're not the same.

Ms. Pamela Goldsmith-Jones: Interesting.

My next question is for Mr. Lawson.

If we were able to get there, how do you think that approach would contribute to mitigating the threats or to strengthening the sustainability of fishing and fish stocks?

Mr. James Lawson: Fish stocks are kind of managed by the DFO, so it would stay the same for fishing effort. The ownership of who was holding the piece of paper would stay the same. We would be relying on the DFO to keep us in sustainable fisheries management.

Mr. Ken Hardie: How much time do we have left?

The Chair: Four minutes.

Mr. Ken Hardie: What did the Government of Canada pay for the quota that ended up in PICFI? Does anybody know?

Mr. James Lawson: It's quite a bit.

Mr. Ken Hardie: We've asked the DFO and they have yet to get back to us on this one.

Are there too many licenses lurking around out there? I've heard an account of something like 6,000 licenses for the various fisheries.

Go ahead, Arthur.

Mr. Arthur Black Sr.: Back when I first started running seine boats, there were in excess of 500 seiners. Last summer, in the north coast, there were approximately 80 active boats.

● (1610)

Mr. Ken Hardie: How many licenses are out there?

Mr. Arthur Black Sr.: I don't know the exact number of licenses, but there are more licenses on stick boats than there are on actually active boats.

Mr. Ken Hardie: If we wanted to start somewhere by getting rid of some of the excess licenses, we would start with the stick boats?

Mr. Arthur Black Sr.: I believe so. I think that would be a good starting point.

Mr. Ken Hardie: Either fish it or lose it?

Mr. Arthur Black Sr.: I've lost two licenses by not using them.

The Chair: Thank you.

We'll go now to the Conservative side. Mr. Doherty, you have seven minutes or less, please.

Mr. Todd Doherty (Cariboo—Prince George, CPC): Thanks, Mr. Chair, and thanks again to our guests.

We have said throughout this whole study and in the sidebar conversations that we've had as we walked together, right across the committee, that the testimony we're hearing from our guests is very powerful. It's much more valuable than that of the officials that we can get in here. Trust me.

Because seven minutes isn't always enough, I want to give more opportunity for those who are on the panel to share with us what you feel that policy should look like. As we move forward as a committee, how can we put forth good recommendations, so that we an act on this? Again, I really appreciate your taking the time to come out.

Mr. Lawson, what does that next policy look like? Then to you all, please take a moment to answer.

Mr. James Lawson: Do you mean like the end-game or the transition to get there?

Mr. Todd Doherty: In a perfect world, what does that policy look like for you?

Mr. James Lawson: I guess it would be the five points I mentioned: owner-operator policies; effectively dealing with ITQ species, such as solely for choke species; owner-operator for target species; and every fisher having to join an organization that would have their interests in mind for collective bargaining and stuff, because right now we're so fractured that we have no voice.

Mr. Todd Doherty: Some are union and some not union?

Mr. James Lawson: Yes. There are three different gillnet associations, two different seine ones and so on.

A loan board would be nice too, but not until the systemic problems are tidied up.

Mr. Todd Doherty: Mr. Edwards.

Mr. Ryan Edwards: Mr. Lawson did a really nice job with that.

It's going to take a bit of time to switch to owner-operator. It's such a complex issue. At the very least, we need.... With our vessel, we pay 20% of the landed value—80% goes to somebody who has quota. There's absolutely no way for our boats...to maintain our vessels. My boat's 91 years old and I have to pay my crew or else I won't have crew. Things get sacrificed. We have to work too hard and things suffer. This is not the way we should be managing our resources going into the future.

To get on point, James is absolutely right: collective bargaining and 50% in the interim, because we have to give these guys some time to get de-invested.

Mr. Todd Doherty: Mr. Black.

Mr. Arthur Black Sr.: There are a couple of different approaches. You might not like the way I would approach it, having grown up as a fisherman and having all the hard knocks. I'll share one quick story with you.

Running a boat in my early days, I had the misfortune of sleeping in. It was embarrassing because my relatives and other peers were already out catching and I was in plain sight. They could see me plain as day. Of course, the first thing that happens is you wake up and you panic. You get the anchor up as quick as you can and move out of the anchorage. Then you go and get in one of the lineups and take your turn. I never got that hour or two back, like they are offering now with the quotas and so on and so forth. This is what people don't understand, who are just asking these questions as we speak. That moment in time is gone. That memory for me...I smile and laugh about it now because, looking back, it was kind of funny but at the time I was more embarrassed, and I hid in the wheelhouse as I left the anchorage.

To answer the question, I know a little bit of thought needs to be put in it to be going forward. I personally feel, as a commercial fisherman and a native commercial fisherman, that I have nobody representing me properly. I've gone to many meetings, and I haven't been paid to go to the meetings. I've arrived and tried to say what I could say as quickly as I could. I've looked around the room and everybody who was in there was getting an honorarium. They were being paid to represent some place.

Getting back to what he's asking, I firmly believe, as a commercial fisherman and as a native commercial fisherman, that we need to be properly protected and represented going forward. I do have some good friends who I've talked to, and I'm not alone in this belief. If we want it to go ahead like he's asking and implement it, there are a couple of different avenues. It's not going to happen overnight, but it shouldn't happen in four years time. It needs to be done in the short term to turn it around, and there are ways of doing it. Right now it's very hard, as an owner-operator, to get financing from the lending institutions. They favour the corporations, the fish plants. I know that, first hand. We also have a 71-year-old vessel, and just trying to get insurance for it is not easy. Even in trying to keep in compliance with all the regulations that keep coming at us, we're still paying.

● (1615)

Mr. Mel Arnold (North Okanagan—Shuswap, CPC): Mr. Black, I'll take over for Mr. Doherty. He got called out on short notice.

You mentioned that you're the only one in the room who is not getting an honorarium at meetings. Who else is in the room that is getting an honorarium?

Mr. Arthur Black Sr.: No. I'm not referring to this particular meeting. I'm referring to meetings—

Mr. Mel Arnold: No. Not at this meeting, but at the meeting you were referring to when you go and you have no one representing you.

Mr. Arthur Black Sr.: I went there as an independent commercial fisherman, which is what my son and I are and the rest of our family is. When we went in the room and everybody stood up and introduced themselves around the room, one was representing, say, a tribal council, one was representing small communities, and so on and so forth. They were all organizations. I sat at a table with some very nice people and they were actually who pointed it out. It got me thinking. There were almost 150 people in that room in Richmond and they were making decisions for us. It had something to do with the Fraser River at the time. I had been asked to go because I happen to live in North Vancouver, so I attended the meeting and it was pointed out by some people I met there what was really going on. After they pointed it out and we listened to everybody, they were right; so like I say, representation for commercial fishermen needs to be a priority.

The Chair: Thank you, Mr. Black.

We'll go to the NDP now. Mr. Donnelly, you have seven minutes or less, please.

Mr. Fin Donnelly (Port Moody—Coquitlam, NDP): Thank you, Mr. Chair, and to all our witnesses for being here and providing your testimony. I think it's really important that we hear first-hand about what you're experiencing and look to the industry about how we go forward.

This study is looking at how the government licensing program is operating on the west coast. The committee has heard from independent fish harvesters about the benefits of the owner-operator principle and protecting fish harvesters in the current context of changing ocean and river conditions. Obviously, we have to change the way we fish because the current system and our model is just not sustainable.

Mr. Moore, when I heard your presentation, one of the things that impressed me was that you talked about River Select in the Harrison Fisheries Authority. Your presentation talked about your work, over 20-plus years, and what you've learned in those years. I'm wondering if you could talk more about the model that you've landed on and the promise that demonstration fishery might have as a way forward.

● (1620)

Mr. Dave Moore: Thanks, Fin.

Since the modern river fisheries are new, we had to look at a different model, a model outside of the box, because the fisheries are cyclical. You may only get a harvest once every three or four years, so we were forced to find more value and to find ways to work more closely with the fishermen, who were formerly dependent on big fishery companies to give them loans and to help them with gear and boats, but in return, they became beholden to the big fishery companies. We created small producers' co-operatives, so the fishermen worked together. We worked with them to provide financing to help them buy gear, to become safe and to organize themselves, so if they fished together, they landed together. They value-added their products together and sold their fish together and as a co-operative, we found that we got more stability in the jobs. We've got more stable employment. We increased the numbers of jobs. We found that the value to the fishermen increased up to 11 times what the fishermen were getting formerly on the riverbanks.

As we built these small fishermen's co-operatives in these small experimental demonstration fisheries in the rivers, we also built a service co-operative at a B.C.-wide level. The B.C.-wide fisheries co-operative helps us to provide services, like the big fisheries companies would do, but it didn't necessarily tie the fishermen to having to sell their fish to the co-operative. The service co-operative is simply there to help the small fishermen's co-operative make more value. We found that fishermen were working longer. They were doing more than just fishing. They were doing landing jobs. They were monitoring, and even got involved in science programs, so we really brought the fishery in much closer to the community again. We gave the fishermen much more pride and control over their fishery and that whole concept of owner-operator really came home. It came true. It was not only tying the quotas to the fishermen, but tying the fishermen and the quotas back to the communities, closer to where they look after the salmon.

Mr. Fin Donnelly: Could you answer two things? One is, you say "we". Could you describe a little bit about who you are and whom you represent? Then, also, there's the issue about the buying of fish and how that happened. I'm going to ask a third one, as well. You talked about the difference that the app made, which was quite interesting.

The third thing is the reduction of bycatch mortality.

We have three minutes, so maybe spend a minute on each.

Mr. Dave Moore: Sure, I'll start with the last one.

The bycatch mortality has dropped to nearly zero, so we were much better able to protect local fish stocks.

As for the app we used, we created an online bidding platform so that all of the fish companies and anybody who was licensed and wanted to buy fish were able to bid for the fish that were offered by each of the fisheries co-operatives. Each week we'd push the restart button, and the fishermen were getting two or three times—sometimes more—value than they ever got from the fish company. We were eliminating about four or five layers of brokers, so that was really important.

What were a couple of the other questions? Sorry.

Mr. Fin Donnelly: Whom are you representing? Your nations?

Mr. Dave Moore: I started doing best practices forums with first nations from around British Columbia that were developing these new river fisheries back in 2005. We did some 40 workshops with fishermen in communities and eventually incorporated the best practices forum into the Inland Salmon Producers Association. We created a charter for responsible trade among the first nations so that the principles we heard a lot about today from fishermen were embraced.

Then we created a fishers co-operative, and I'm the executive director and business manager for the River Select Fisheries Co-operative. That's the service co-operative that helps the small producers get into the value chain and get more value out of their fish.

We still work with the fish companies, but it's transcended the relationship. Now these co-operatives work with the fish processors to add value to their catch, and all of these local fish producers are able to brand their fish right back to the fishery where they came from. Traceability becomes more about local conservation, the story of the fishery, and stewardship of the fishery as well as looking after the fishermen.

● (1625)

Mr. Fin Donnelly: We have just about 30 seconds left.

One of the things I was impressed by is that we have a problem in the current fishery with bycatch impacting steelhead, runs of salmon, chinook, types of coho and even sockeye and sturgeon. In your fishery, you've said that this is almost down to zero, or is zero.

Mr. Dave Moore: [*Inaudible—Editor*] to zero. Using beach seines, timing, location and gear are all factors that you can use to be selective. The idea of being selective is that we can keep orca safe, we can let the sturgeon go, we can let the steelhead go and we can let the chinook salmon go. We can be very delicate with those fish that we don't want to harm, and we can harvest the most productive stocks.

Mr. Fin Donnelly: Thank you.

The Chair: The remaining time in this session goes to Mr. Morrissey for approximately three and a half minutes.

Mr. Robert Morrissey (Egmont, Lib.): One of the themes that has been coming to the forefront in these meetings is that it's been referred to as smart money, offshore money and controlling money. What recommendation could the committee make to deal with somebody else's money that's not the fishers' money?

Mr. Arthur Black Sr.: They are the laws that were put in place.

Mr. Robert Morrissey: Okay. That goes to my second question.

I'm not sure, James, if it was you or Ryan who made the reference to your having "no voice".

We also heard testimony that DFO does not consult with fishers. That was a direct quote from the fishermen the other day.

What recommendation could this committee make to give you a voice?

Mr. James Lawson: Apart from the advisory board, which I don't think is very effective for the harvesters themselves, I would say give them their own board to have their own voice that is harvester specific. The current advisory boards, oftentimes, are just licence holders who are not actually in the trenches fishing, so to speak, so they're not as tapped into what's a going on on the grounds. A harvester-only advisory board, or something like that, would suit me just fine.

Mr. Robert Morrissey: On the east coast, in my province, there's one group that speaks for the fishing industry. It's controlled by commercial fishers. In New Brunswick, it would be the same, and I'm sure that Nova Scotia does that. These organizations very effectively interact with DFO, Fisheries and Oceans Canada, in ensuring that the majority of the opinion of commercial fishers finds its way into policy within the department.

Is that a model that would work on the west coast?

Mr. James Lawson: At the present time it might get a little mixed up, because as far I know, everywhere on the east coast is owner-operator. We have that extra layer, where we have licence-holders who are not operators and they also want to be consulted.

In my perfect world, yes, I would love something such as that to come into effect for us.

Mr. Robert Morrissey: Do I have more time?

The Vice-Chair (Mr. Fin Donnelly (Port Moody—Coquitlam, NDP)): You have about one minute.

Mr. Robert Morrissey: There was a comment made at one of the earlier meetings that one of the negatives affecting the west coast fishery is that we have chosen “to protect weak stocks”.

I didn't have the chance to fully pursue that at the last meeting.

Mr. Black Sr., would you care to comment?

Mr. Arthur Black Sr.: If you look at our neighbours to the north, such as Alaska—

Mr. Robert Morrissey: Excuse me for interrupting, but Alaska has been referred to several times as being a better model of management than we are.

Mr. Arthur Black Sr.: It is.

Mr. Robert Morrissey: You're all nodding in agreement.

Mr. Arthur Black Sr.: Yes. Having fished up in Alaska for five seasons, being involved in the commercial salmon fishery, I would say they don't manage to a weak stock. They manage to the stronger stocks, and then they put enhancement to the weaker stocks to bring them up. If you manage to the weaker stocks, you will have your stronger stocks as a weaker stock in the end. They've already gone through that.

As I said, I was very fortunate to actually meet the biologist when I was up there and fished. They actually are hands on. They come down and meet fishermen on the dock and they fly in the airplanes on every opening.

● (1630)

The Vice-Chair (Mr. Fin Donnelly): We're going to have to leave it at that. Thank you very much, Mr. Morrissey.

Thank you to all our presenters: Mr. Lawson, Mr. Edwards, Mr. Black Sr., Mr. Black Jr. and Mr. Moore.

Mr. Hardie.

Mr. Ken Hardie: Very quickly, because you're in the chair and you don't get to say this, I'll say it on your behalf: If anybody has heard something they wish to react to, please feel free to send further information to the clerk.

The Vice-Chair (Mr. Fin Donnelly): Mr. Hardie, that's an excellent addition. Thank you.

We'll suspend for two minutes before we move into the second half of the committee meeting.

● (1630)

(Pause)

● (1635)

The Vice-Chair (Mr. Fin Donnelly): I call the meeting back to order.

I have a number of things to explain. One is that we anticipate that the bells are about to ring at about 4:45. That's going to interrupt this committee. I'll test the committee to see how far we want to stay into the ringing of the bells. Perhaps we could stay a little longer.

Mr. Robert Morrissey: Are they 30-minute bells?

The Vice-Chair (Mr. Fin Donnelly): They're 30-minute bells.

I'll see whether there's unanimous consent to perhaps go 15 minutes into that. Then we can at least hear all the presentations and there might be time for a short question from both parties.

Also, I welcome Monsieur Deltell, from the riding of Louis-Saint-Laurent. Thank you for joining us.

With that, we have three presenters: Carl Allen, who is a fisher; Michael Barron, a fisher; and Melanie Sonnenberg, president of the Canadian Independent Fish Harvester's Federation.

Each presenter has seven minutes.

Mr. Allen, we'll start from the top with you.

Mr. Carl Allen (Fisher, As an Individual): Thank you, Mr. Chair, and thank you to the Standing Committee on Fisheries and Oceans for allowing me the opportunity to speak on this topic today. It's one that I consider to be critically important to the future viability of British Columbia fish harvesters.

I appear before you today as a fourth-generation independent fish harvester from eastern New Brunswick and the president of the Maritime Fishermen's Union, representing approximately 1,250 independent fish harvesters in eastern New Brunswick and various regions of Nova Scotia.

I cannot speak to the history of how the situation evolved in British Columbia to where it is today. I can only speak to my views of this situation and how it compares to how things look on the east coast. I can tell you that the differences are shocking and startling.

First of all, as a licence-holder in Atlantic Canada, as per the owner-operator policy I'm required to fish my licence, whereas in British Columbia, licence-holders can lease their licence or quota, never having to fish it or be required to be a harvester in the first place. This creates a situation in which deep-pocket investors can outbid new entrants when licences come up for sale and allows for unrealistic lease rates for quota and licences that make it impossible for people who actually harvest the fish to make a fair living and have the ability to reinvest in their enterprises.

The results of those differences are what the Government of Canada, no matter their political stripe, should be very concerned about. As worldwide demand for high-quality protein continues to rise and as wild catch rates have levelled off, the landed value of Canadian seafood, which I would argue is among the best in the world, continues to increase. You would think that this would mean that fishermen in this country are making more money, which is true on the east coast but not on the west coast. The results of this extremely inequitable distribution on the west coast of the wealth created by the ocean has a huge effect on the land-based economy that the spinoff from fisheries typically creates.

It is a well known fact on the east coast—Mr. Morrissey, you can attest to this—that we fishermen don't typically tuck our money away during the good times. We spend it, for lack of a more eloquent term. We fishermen typically reinvest large portions of our revenue into our enterprise. As a result of this, right now on the east coast we're in a boatbuilding boom, with many boatbuilders having at least a two-year wait if you want a new boat, while shipwrights struggle to keep up with the demand for repairs and refits on existing vessels.

Compare that to the west coast. There, as a result of the lack of sound policies to keep the net benefit of the resource in the hands of the people who actually harvest it, the boatbuilding industry has diminished to the point where, I've been told, fishermen are sourcing new boats from the U.S. and elsewhere. Again, this is the complete opposite of the east coast, where we are selling vessels into the U.S. at a constant rate.

It's not just about the boatbuilding industry benefiting from fishermen spending their money. There are a number of spinoff economies that are seeing the benefits of this wealth, ranging from carpenters and many other tradespeople doing work on fishermen's houses and garages, to car dealers, accountants, travel agents and community charities. The list goes on.

I recently had a member of my community approach me. He shook my hand and congratulated me on a good season. This is what he had to say to me: “When fishermen are doing well, the community does well. We all benefit from the riches of the oceans.”

When I compare that to what a young fisherman told me on a recent trip to British Columbia I was saddened and disgusted at the results of the DFO's B.C. region policies over the last 25 plus years. He said this to me: “We lost the ability to take care of our communities like we used to, and therefore our communities don't see the need to take care of us.”

That's absolutely disgusting in a country such as Canada. It is the duty of the government to manage the fisheries on behalf of the people of Canada.

To put this into a little bit of context, I'll use the B.C. halibut fishery context. In 2017, I was told, it was worth approximately $66 million in landed value. Of this, approximately only 20% went to the actual harvesters. To me, this begs the question. Where did the rest go, that approximately $52.8 million? I can't speak to exactly where the 80% went, but I can tell you where it didn't go. It didn't go into the hands of fishermen, and it didn't get spread throughout the fishing communities, as is happening on the east coast.

● (1640)

As to where the 80% does go, this is something the committee should be concerned about. If we allow anybody to own the title over our fisheries without ensuring that they are actually in the fisheries, then we may very well come to a day when outside people or corporations completely control and exploit the benefits, leaving nothing for Canada itself—except the cost of managing the fisheries in an ever-changing environment.

Governments of all political stripes like to talk about growing the middle class. Well, as a result of the owner-operator policy, Atlantic fishermen have been able to move into the middle class as the value of our top-quality seafood has continued to grow. I'm extremely saddened that our brothers and sisters on the west coast have not been afforded the same opportunity, and even more so that they are being forced to work in servitude, with little to no hope of escaping this situation—that is, unless the Government of Canada has the moral strength to take action and correct the situation before it gets any worse.

Once again, I thank you for the opportunity to testify here today.

The Vice-Chair (Mr. Fin Donnelly): Thank you, Mr. Allen. You still had a minute left, so that was good timing.

Mr. Barron, you're up next, but I'll just let you know that you're probably going to get interrupted by the bells. When they ring, I'm going to have to ask for unanimous consent to continue. I apologize in advance for the probable interruption, but we will start the clock, and you have seven minutes for your presentation.

Mr. Michael Barron (Fisher, As an Individual): Good afternoon. I'd like to thank all honourable members of the standing committee for the opportunity to be here today.

My name is Michael Barron. I'm a middle-class entrepreneur from Ingonish Beach, Nova Scotia. My business is operating an independent fishing enterprise. I am a young, independent owner-operator and the director of the Cape Breton Fish Harvesters Association. I am also a member of the Canadian Independent Fish Harvesters' Federation.

The reason for my presence here today is to inform or educate you on the difference between the Atlantic and the Pacific coasts, primarily with regard to being the recipient of the benefits and privileges of working on our oceans and reaping the rewards from doing so. The reason my story is so imperative is that I control the efforts, I control the costs, which can be very high, and I control the return to my crew and the small, rural coastal community of Ingonish Beach, where I live and work. I raise the idea of my contribution to the rural community of Ingonish because the population of my town is approximately 1,100 people. I sell my fish to the Victoria Co-op. During peak season, we employ approximately 166 people in that plant. My income helps support the local groceries, the garages and the hardware stores, all mom-and-pop stores.

The benefits of my independent fishing enterprise are shared by the whole community, building both spirit and fellowship throughout. It is a great place to live with a sense of peace. It's a place where people know your name; when you drive down the road, they wave to you. When they see you, they stop to talk to you. Sadly, the picture is much different in British Columbia.

I've recently had a chance to meet others who work in the B.C. fisheries, doing similar work to what I work do on the east coast. Visiting the Minister of Fisheries in January and here in Ottawa on World Fisheries Day in November, I met the fishers from B.C. We fish the same species, halibut, but in B.C., they don't have any access to fish. They have the privilege to fish, but the access is held by others. These harvesters in B.C. don't enjoy the ability to maintain or invest in new equipment or vessels because the margin of the return on their catch is minimal. It's pennies on the dollars and this needs to be stopped.

The fabric of rural communities in B.C. is not at all like home. They no longer have a local fish processor. The canneries have moved to Alaska. The fees involved in fishing—wharfage, quota and licensing—reduce the margin for efforts to a ridiculous amount. The amount that pays crews also pays taxes and pays for safety, which is a significant concern. You can't improve your vessel if you can hardly pay your crew.

Let's take a very simplistic view of a business model in B.C. versus Atlantic Canada. Say, in Atlantic Canada, that $1,000 worth of fish is harvested. You pay your vessel expenses and maintenance —we call this a boat share—leaving approximately $500 to split between captain and crew, say $200 for the captain and $300 for crew. The licence holders, by possessing the licence, have the level of fish to harvest and receive the residual benefits for the efforts and the risk taken to do so.

In British Columbia, if you take the same $1,000 worth of harvested fish and you take off the fee you would have paid the owner of the quota, it leaves approximately $200. That means as much as 80% of the harvest is going to potential foreign interests. How do you keep a vessel in good repair? The wages paid to crew are disrespectful, and this represents sharecropping to an extreme. The effort is significant and the returns on the wages and well-being are minimal. Licence-holders must successfully bid on a level of fish held by other interests, nationally and internationally. That's just wrong.

As a side point, this owner of the quota may not even be Canadian. It's a real shame when we have to think about something like that. The residual benefits of the B.C. model go to an investor seeking to reap the return on investment based on reducing expenses such as salaries, wages, taxes and anything that takes away from the profit. Also, it's a burden on Canadians since there's no control on who owns the quota. This is a Canadian resource—a wild protein sought throughout the world, a resource that taxpayer dollars are spent on to manage it, and a resource that's kept sustainable and viable via the science and management of DFO policies and programs—but with no viability and no reinvestment in Canada.

● (1645)

Our dollars are going into a large entity with no appetite for the benevolence of Canada. I am here today to provide you with this little information as a witness and ask you, the honourable members of the standing committee, to assist the harvesters of British Columbia to fix the situation and force a formal review and investigation into the licensing policy ownership in the Pacific.

Basically, the idea is simple: follow the money.

Thank you.

The Vice-Chair (Mr. Fin Donnelly): Thank you, Mr. Barron.

The bells didn't interrupt you, so you got through your entire presentation.

That means, Ms. Sonnenberg, that it's more than likely that you're going to get interrupted, but we will give you seven minutes nonetheless.

Ms. Melanie Sonnenberg (President, Canadian Independent Fish Harvester's Federation): Thank you.

Thank you to the committee members for the opportunity to appear today.

I'm here today as president of the Canadian Independent Fish Harvesters' Federation. The federation represents more than 14,000 licensed small business owners, with 30,000-plus crew members, working in our country. They produce more than $3 billion in landed value and generate over $5 billion in exports. Our membership includes two organizations representing owner-operator fleets in British Columbia.

I also serve as general manager of the Grand Manan Fishermen's Association, representing 90 inshore fishing enterprises, with a membership of more than 220 harvesters in my home community of Grand Manan, New Brunswick.

My comments today reflect the federation's policies and also my almost 40 years of experience living in a vibrant east coast community, where the fishery has provided livelihoods to many generations of fishing families.

Fishing has always been hard work in a challenging environment.

The Vice-Chair (Mr. Fin Donnelly): Ms. Sonnenberg, excuse the interruption, but the bells are now ringing. I just need to ask the committee for unanimous consent to continue.

Do I have unanimous consent to continue for 15 minutes?

Some hon. members: Agreed.

The Vice-Chair (Mr. Fin Donnelly): Okay. Thank you very much.

Continue.

Ms. Melanie Sonnenberg: Fishing has always been hard work in a challenging environment, and harvesters did not always earn good incomes. But over many years, harvester organizations have worked diligently to conserve and protect our fish stocks, to improve safety practices and to put in place a co-management system that gives harvesters a strong voice in decision-making and a stake in the overall success of our industry.

In the Atlantic region, the owner-operator and fleet separation policies have largely kept control over the rights to harvest adjacent fish stocks in the hands of independent, community-based small businesses. As a direct result, the decade-long surge in global demand for our seafood products has brought solid, middle-class incomes and a new sense of optimism to our communities. We still face challenges to manage our fisheries sustainably and to renew an aging labour force, but we do so with the knowledge that our industry now has a bright future.

Most people attribute the current growth in our east coast fishing economy to lobster, but we are seeing a general improvement in economic returns across all fisheries. DFO data reveal that in the decade after the great recession in Atlantic fisheries, the landed value per tonne of lobster increased by 17%, but groundfish and total shellfish grew close to 70% and pelagic species by 128%. In Atlantic Canada we are seeing a rising market tide that seems to be lifting all boats.

Our members from British Columbia are also seeing increased landed value per tonne in their fisheries, but not to the same extent. There is a strong increase in shellfish, but only limited gains in groundfish and pelagics.

There is, of course, a different species mix in Pacific fisheries, but industry structure also plays a role. Landed value reflects prices paid at the landing site, not necessarily the final value in the marketplace. The people doing the fishing on the water may receive only a fraction of landed value, depending on who owns the licence or quota they are fishing. As well, vertical integration gives companies much greater leverage to suppress the price of fish to the harvesters and to transfer profit-taking to higher levels in the value chain.

The consequences are evident when we compare trends in incomes for fish harvesters. The period since 2000 has seen a steady increase in earnings from fishing employment in most regions of Canada. In 2015, fish harvesters and owner-operator enterprises in Atlantic Canada and Quebec earned incomes comparable to the Canadian workforce, despite the seasonal nature of the fishery.

In British Columbia in 2000, fish harvesters had average incomes well above their peers in the Atlantic; however, by 2015, average after-inflation earnings had fallen by 29% despite generally stable landings and improvements in landed values. Coming out of the 2007-2009 recession, self-employed harvesters in B.C. did see some uptick in after-inflation incomes, but not nearly as much as in the Atlantic provinces.

We see these disparities as a direct consequence of current licensing policies in Pacific region that encourage vertical integration and licence and quota leasing, allowing control of access rights by non-harvesters and forcing active harvesters to pay excessive costs to lease licences and quota to maintain their fishing operations.

The direct consequence is that too many enterprise operators who work on the water and take the financial risks to buy and maintain vessels and gear and to hire and train crew are receiving too small a share of revenues to remain viable, and coastal communities receive less and less economic and social benefit from adjacent marine resources.

It is no wonder that the fishing workforce in British Columbia is the oldest in the country, with falling rates of youth recruitment. An industry offering these career prospects will have great difficulty replacing the 40% of the labour force that is projected to retire out of the industry by 2025.

In holding these hearings, the committee has taken the first step to addressing the sharp disparities between fisheries on Canada's east and west coasts. The critically important task now is to propose changes in DFO licensing policies so that fish harvesters in British Columbia can receive a fairer share of the wealth they produce and that they do benefit from the rapid growth in global seafood markets.

The main message the federation wants to convey today is that after some 30 years of being in effect, the owner-operator and fleet separation policies have created a competitive, economically dynamic and sustainable fishing industry in Atlantic Canada. There are continuing challenges, but the foundations are in place for an industry that can sustain vital coastal and indigenous communities into the future with stable and rewarding employment and solid, middle-class incomes.

● (1650)

As a national organization representing fish harvesters in all regions of Canada, we want to see the same positive future for coastal communities in British Columbia. We urge this committee to recommend to the DFO minister that he initiate a process in concert with industry, community and indigenous stakeholders to develop a new licensing model based on owner-operator and fleet separation principles and adapted to fisheries in the Pacific region.

In my brief that was sent around, I've included a list of our membership so that you can see how varied it is across the country.

I want to thank you for the opportunity to appear here today.

● (1655)

The Vice-Chair (Mr. Fin Donnelly): Thank you, Ms. Sonnenberg.

Thank you to all of our witnesses.

We have about 10 minutes, if we can agree that we'll continue.

Could I suggest that it be four minutes for questions by the government, four minutes on the opposition side, and if you agree, leave a couple of minutes for the chair to ask a question?

Some hon. members: Agreed.

The Vice-Chair (Mr. Fin Donnelly): I was figuring that we'd go to 5:05.

Okay, we'll go three, three, and one.

You have three minutes, Mr. Hardie.

Mr. Ken Hardie: I have a couple of quick questions.

Mr. Barron, how many boats operate out of your village?

Mr. Michael Barron: Out of my village, there are 37.

Mr. Ken Hardie: There are 37 out of a population of 1,100.

Mr. Michael Barron: Out of 1,100.

Mr. Ken Hardie: Wow.

Mr. Allen, is there foreign ownership of licences, quotas and boats in Atlantic Canada?

Mr. Carl Allen: It is possible, but how would you know, right?

You have to be able to track that through the money; where does the money comes from?

Mr. Ken Hardie: But if everybody knows everybody else—

Mr. Carl Allen: Everybody knows everybody else. I mean, you could go down to southwest Nova and have a conversation with a couple of particular people, and they could say, "Hey, them 20 boats there are owned by so-and-so, but he just sold out to...we're not sure."

Mr. Ken Hardie: So there's a bit of a lack of transparency even on your coast.

Ms. Sonnenberg, how many owner-operators do you think we have left in B.C. who are more or less equivalent to the force in Atlantic Canada?

Ms. Melanie Sonnenberg: We had this conversation a couple of weeks ago with the minister.

The reports on the ground would indicate that there are somewhere between 1,200 and 1,500 truly independents, but it's really difficult to know, given the landscape in British Columbia.

Of course, on the east coast—and I referenced it in my remarks—there are challenges, but the bulk of the people are independent owner-operators, and that is what keeps our coastal communities going.

Mr. Ken Hardie: Great, thank you.

The Vice-Chair (Mr. Fin Donnelly): If that's it, we'll go over to Mr. Arnold.

Mr. Mel Arnold: Thank you.

This is for Ms. Sonnenberg, because you seem to operate on both coasts.

Are there any challenges for operators on the east coast because of the requirement that the operator has to be on the boat?

Ms. Melanie Sonnenberg: Sorry, I didn't catch the last part.

Mr. Mel Arnold: Are there any challenges because the operator has to be on the boat that is catching the fish?

Ms. Melanie Sonnenberg: Well, there are always challenges when you're a small business owner. There's no doubt of that.

However, for it to work effectively and for us to maintain control over the resource.... I've had many fishermen—and I use that word because it's respectful of our industry—tell me that being on the boat is how you keep control of your cost.

Michael mentioned it in his remarks. He's responsible for things. He's deciding about the risk. All of those things make for a better operation over the course of a business enterprise.

Mr. Mel Arnold: But are there challenges, and what are they?

Ms. Melanie Sonnenberg: Well, being a small business owner, Mr. Arnold, there are a million challenges. Obviously—well, maybe not obviously—I'm not a harvester; I'm a "fishercrat", for lack of a better word.

I can tell you that when I go down to the wharf—and I work on the end of a wharf—there are challenges every day about everything, starting with your human resources, mechanical issues on your boat, the costs and so on. It goes on and on.

That is no different on the east coast from the independents who are on the west coast. The trouble is that being marginalized on the west coast makes those challenges insurmountable.

Mr. Mel Arnold: Thank you.

Yesterday, we heard testimony referring to the married licences, basically licences that come attached together on a vessel, and the inability to split those up.

Do any of you have any comments on the issues of a vessel owner being unable to sell one of his licences without having to sell the whole lot at once?

Mr. Carl Allen: It's hard for me to speak to the exact situation in British Columbia because I'm not aware of exactly how it works. To put it in perspective, I'm a multispecies licence-holder. I currently have a lobster, mackerel, herring, scallop and groundfish licence. I can divest any one of those to another harvester. If somebody doesn't have a scallop licence and he wants to buy a scallop licence, I can allow that to go. I'm not in that situation, but I can see how it would put somebody in a tight spot, if, for whatever reason, they wanted to switch from one fishery to another, allow one licence to go to bring another one in. It would hamper them in a way, yes.

● (1700)

Mr. Mel Arnold: Thank you.

The Vice-Chair (Mr. Fin Donnelly): Thank you very much, Mr. Allen and Mr. Arnold.

I have one question I'll ask Ms. Sonnenberg.

I think you gave a recommendation to the committee about moving forward, and the benefits of owner-operator policies, looking at the east coast. If the government were to make that claim or try that proposition on the west coast, what would be the first steps or the best process to move the west coast in the direction of the owner-operator system?

Ms. Melanie Sonnenberg: I think it's far from me to make a prescriptive suggestion, but I would say this. I think the people who are invited to the table are going to be critical to the discussion and the success of how it goes forward. Currently, under the advisory systems there today, I'm told by the stakeholders in British Columbia that that's not going to be the venue and is not going to give these independent people the proper voice they deserve. I think for transparency's sake on the east coast, we would see a wide number of people coming into a room to talk about issues that are really critical to the industry. I think getting the right people to the table—and maybe they're not the people who are there today—is what needs to happen. From the feedback we're getting, I think that's the place to start. From there, obviously, there will be a system that will have to unfold, but the people at the table will determine the success of the outcomes.

The Vice-Chair (Mr. Fin Donnelly): Thank you very much.

Thank you to all of our witnesses.

The meeting is adjourned.

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