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Chair

Mr. Scott Simms

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● (1550)

[*English*]

The Chair (Mr. Scott Simms (Coast of Bays—Central—Notre Dame, Lib.)): I call the meeting to order.

Hello, everyone. Welcome to meeting number 17. We are embarking upon a new study over a two-meeting period, pursuant to Standing Order 108(2), on the relevance of the principle of adjacency and the owner-operator and fleet separation policies in the Pacific region.

We have four guests with us here today. Joining us in person is Joy Thorkelson. Ms. Thorkelson, it's nice to see you here. She's a northern representative of United Fishermen and Allied Workers' Union-Unifor.

Also, we have Arnold Nagy, president of Local 31, joining us by teleconference, who is also from UFAWU-Unifor, and Conrad Lewis, also joining us by video conference from Local 31, UFAWU-Unifor.

Finally, we have Mr. David Boyes, director of the Pacific Halibut Management Association of British Columbia.

In no particular order, we're going to start now. We are going to have up to 10 minutes.

First of all, we apologize for starting late. We had more votes than anticipated, and therefore we're running a little late.

I'd like to remind the witnesses that after this, we'll have questioning in two rounds.

Let's start with Conrad Lewis. We're going to start with you, sir, from Local 31. You have up to 10 minutes.

I apologize, Ms. Thorkelson. What was that?

Ms. Joy Thorkelson (Northern Representative, United Fishermen and Allied Workers' Union-Unifor): I wonder if we could start with a video.

The Chair: Do you have a video presentation? Is it part of your presentation, or is it Unifor in general?

Ms. Joy Thorkelson: It's part of my presentation, but we are hoping the video can go first and Conrad can go second.

The Chair: I see. Very well. Since you're all from the same group, let's go. We will now proceed with the video presentation as part of your 10 minutes.

[*Video Presentation*]

● (1600)

The Chair: Thank you, Ms. Thorkelson.

From your group, we have you, Mr. Nagy, and Conrad Lewis. How do you propose we handle this?

Ms. Joy Thorkelson: We thought Conrad could speak next, and then Arnie, and then I will give the committee our request.

The Chair: Perfect. Go ahead, Mr. Lewis, for up to 10 minutes.

Mr. Conrad Lewis (Vice-President, Local 31, United Fishermen and Allied Workers' Union-Unifor): [*Witness speaks in Sm'algyax*]

My name is Conrad Bernard Lewis. I am the vice-president of UFAWU-Unifor local 31, and I am also a general member of the executive board of our union.

We come to you today with a major concern over the closure of the canning operations in the Prince Rupert plant and the number of people who will be subjected yet again to major quality-of-life challenges. These challenges are created by one group, and in our particular case, it is the Canadian Fishing Company, owned by the Jim Pattison Group.

We are told that other industries will come as a replacement to our invaluable resource, a resource that we treasure, that we hold sacred. When there is danger to our source of sustenance, then they are not replacements; they are tools for destruction of our *haun*, our salmon, and we always stand steadfast against these types of threats.

In the north, we Tsimshian, Nisga'a, Haida, Haisla, Gitxsan, Wet'suwet'en, and Tahltan have always benefited from a shared commodity, *haun*, salmon for invaluable sustenance, sustenance beyond calculable or appraisable value.

Since time immemorial, we have lived by an unwritten, solid rule, a rule of adjacency. We Tsimshian and others could not go to Gitxsan territory and harvest from there, just as they and others could not come to Gitxaala and harvest there. We harvested in our own territory, according to adjacency. Then we travelled and traded with our fellow nations.

Through time, industries slowly but surely encroached on that. I use the word “encroached” because they built their canneries near our territories for easy access to the resource of *haun*, salmon, and they employed our people.

Through time, however, they started consolidating their operations to urban areas, closing plants close to our territories, so our people moved as well. We moved as transients at first, but then because of the monetary gain from our invaluable resource, we were able to buy homes and cars and live in those urban centres.

Now the Jim Pattison Group has moved to Alaska, using transient workers there and canning just as much and more as they have ever done. They are packing up our invaluable resource and exporting it to other places.

This committee has an opportunity to stand by our people, all first nations, and enforce a rule that has always existed here among us, here on the coast of B.C. That rule is, again, adjacency.

Please do not make a decision from desks in the east without seeing us, without coming to talk to us. Come and make a solid decision that works for all: all Tsimshian, Nisga'a, Haida, Haisla, Gitxsan, Wet'suwet'en, and Tahltan. Bring adjacency back to our people and stand proudly beside coastal first nations, as your government has openly stated it wants to do.

Wai wah. Thank You.

● (1605)

The Chair: Go ahead, Mr. Nagy.

Mr. Arnold Nagy (President, Local 31, United Fishermen and Allied Workers' Union-Unifor): Thank you, Mr. Chairman.

My name is Arnie Nagy. I've been working in the fishing industry for 37 years. My family's history as members of the Haida Nation goes back generations. Since time immemorial, fishing has been important to us.

Growing up, I witnessed how big the fleet was here in Prince Rupert, how important the economic opportunities were that those boats generated for the people of Prince Rupert and for the people of the outlying coastal communities who came to Prince Rupert to work. Over the years, as DFO policies have changed, I've seen the reduction of the fleet to the point that now it's so small that it's even hard to recognize that there is a real fishing fleet here in Prince Rupert and on the north coast.

The reason for those changes was the monopolization of the licences and quotas, which were being bought up by companies such as Canadian Fishing. These companies took the right of anybody else to go back in and survive in the fishing industry.

The latest announcement of the closure of the cannery sent panic throughout the community I live in. The fishing industry here in Prince Rupert is the economic driver for many of the people. It's what helps carry people through the winter. You cannot make it on just one job here. That was what gave people their livelihood.

I've heard many people come up and say, “Well, then, the union should just buy the fish plant. Offer them a dollar and take over the cannery.”

We could. We have the expertise. We have the knowledge. We could get that place up and running in a matter of a couple of weeks, and start canning salmon. The problem is we do not have access to the fish, because the licences are all owned by one person.

As we see in the video, 70% of the salmon and 80% of the herring are owned by Mr. Pattison. That does not give us access to the fish we need in order to get that cannery going if we wanted to.

Millions of dollars were spent In the village of Lax Kw'alaams, just north of Prince Rupert, to upgrade that plant so that it could generate economic opportunities for the people of that native village. They can't get enough access to the fish, because they don't have enough boats that own licences to be able to go out there and catch the fish. They are forced to try to access fish from Alaska to try to keep that plant going, and in an off year, there's not a lot of fish there, so any of the economic opportunities that could benefit that village are gone because of the licences.

This committee must understand that those licences were passed down from generation to generation, from father to son, from grandfather to grandson, and they were all being taught. That fish caught in the north was always delivered here in the north. Now that the companies own the boats—the big boats, the seine boats—own the licences, and own the quota, that history is lost. This committee must take it to heart that you have the chance to save what is left of the fishing industry here in the north.

The processing of fish that is owned by the people of Canada should benefit the people of Canada and these communities. The boats should be owned by the people who fish in them, not the company.

● (1610)

The company should not be able to buy the boats and the company should not be able to own the quota and the licences. It is time we started realizing that we are standing here to try to defend not just the job but the very important aspect of protecting those wild stocks. If the people of Canada do not start seeing that they're benefiting from those resources, it makes it that much more difficult for us to stand up to defend and protect those resources.

These jobs that we've had in the past were jobs that could go on for time immemorial, generation after generation. The knowledge, the trade...the knowledge and understanding that we have on how to do that fishing could be passed down to future generations and give them some hope.

This is an extremely important issue. I understand that this might be the last time that we're able to talk to you about it. I implore you to hear what we're saying. Fleet separation is an extremely important issue to us. You've heard it from our membership, who spoke in the video. The owner-operator provisions.... Owners of the boats own the licences. License the fisherman. That is how you rebuild the commercial fishing industry, not by privatizing it.

I don't know how much more I can say to you to try to get it across, but if you could see the panic and the hurt, not just among our membership but among the people of Prince Rupert, or if you could look at the eyes of those people who are now forced to sell their homes because both of them worked in the fish plant...it's something we can't ignore.

You'll hear a lot of things thrown out about money and costs and things like that. Well, people, those numbers represent what Jimmy Pattison is going to get, but the numbers we talk about are actual human beings who have made a living off this resource through the fishing industry. It was the government policies of the past that forced us into this situation, and now it's the trade deals that force us to watch our fish get shipped to China for further processing and then come back and be sold in stores here right in Prince Rupert.

The owner-operator, fleet separation, and adjacency issues are ones that we take to heart. It is what is needed here in British Columbia, and I ask you, please.... I'm not a man who begs, but I'm asking you to give us that opportunity to keep this community alive. LNG is not going to create the economic opportunities; it's a finite resource. Our fish, our fishermen, and our shoreworkers are an infinite resource that can provide benefits for Canada for many, many generations to come.

Thank you.

● (1615)

The Chair: Thank you for your time, Mr. Nagy. I apologize for mispronouncing your name at the beginning of the meeting.

Ms. Thorkelson, you have a few minutes to conclude.

Ms. Joy Thorkelson: I'd just like to point out that both Conrad and Arnie hold seniority in the plant. Arnie is a millwright who was just displaced. He's working now as first aid. Conrad was what we call a warehouse checker, whose job was to trace the cans as they come off the lines and before they are shipped out to the market, so he keeps track of them like a shipper-receiver. I'm a union representative. I'm on staff and I also hold seniority at the Canadian Fishing Corporation, but I'm think I'm getting too old to go exercise it.

The union proposes that a public, accountable, and transparent process be set up by the department. The objective would be to enable fishermen to become economically viable once again, to return control over fishing to active fishermen, to eliminate corporate control of our commercial fisheries, and to assist communities to retain fisheries income and processing jobs.

We would suggest that an independent panel be formed to travel throughout our B.C. coastal communities to talk with our communities, commercial fishers, and plant workers.

The work of the committee would be to evaluate the status quo in B.C.; to develop made-in-B.C. owner-operator fleet-separation policies that reflect the differing and presently existing fisheries licensing quota arrangements on the B.C. coast; to determine ways to assist active fishermen to acquire ownership of quota, and retired and non-fishing quota owners to divest themselves of quota in a practical and positive way; to recommend a plan and time frame for processing companies to divest themselves of quota licences, co-adventure agreements, partnership arrangements, and the like; to develop an adjacency policy for fisheries in B.C. that puts communities, local fishermen, and shoreworkers first and returns processing to rural coastal communities; and, last but not least, to investigate and make recommendations on other approaches, such as having further support for first nations, licence banks, fishermen's loan boards, and policies such as having community licence banks, and, most importantly, allowing youth access to licenses, affordable quotas for generational transfers of fishing opportunities, and access to commercial fishing opportunities.

The recommendations from this committee would form a basis for change.

This is what we ask of this committee. I'm never quite sure how committee structures work, but if you make recommendations to the government or to the minister, that's what we're asking for.

The Chair: Thank you for that, Ms. Thorkelson.

We're going to the Pacific Halibut Management Association's director, David Boyes.

Mr. David Boyes (Director, Pacific Halibut Management Association of British Columbia): Thank you, Mr. Chairman, and members of the committee.

I was made aware of this hearing just late last week. I had my boat in the shipyard, and we were pulling 12-hour and 15-hour days trying to get the propulsion machinery out and inspected by Transport Canada and back in again. I apologize. I didn't check out what I'm going to say here until over the weekend, so I wasn't able to get it translated into French.

I also have a couple of informative little videos that I'd like the committee to see at some point. Once again, they've never been translated into French, but maybe at some point we can get those to you in some form.

I'll get started here with a little context, a little bit of my background.

In 2016, it will be my 40th fishing season. It has been 40 years of pulling fish over the rail, mostly one at a time.

Back in 1977, I was working on a planer chain in North Vancouver, earning money to complete my undergraduate degree in marine biology, and I ran into an old high school friend at a bar one night. He asked me what I was doing, and he didn't seem too impressed with my employment on the planer chain. He asked if I wanted to go herring fishing. “Sure,” I said. “What's that?” That's how my fishing career started.

I fished herring from 1977 to 2007, salmon from 1977 to 2010, and I've been concentrating on groundfish since 1988, up until the present. That's tuna fishing, as well as trolling, gillnetting, seining, longlining, and a little trawling over the years.

For the first 20 years or so, I fished mostly out of Ucluelet because I was a shareholder with 30 other fishermen in the Ucluelet Fishing Company Limited. Although our fishermen delivered salmon all over the coast, most of our production came in to Ucluelet. Lately I've been fishing groundfish more, and mostly based out of Port Hardy and sometimes Prince Rupert, although we've delivered a lot of fish into Ladner on the Fraser River over the years.

I've had four different boats, and a lot of crewmen and women have walked their decks during that time, including students, relatives, and old friends, among them Pete and my nephew Angus, who are running the boat down from Campbell River right now. It should be landing in Comox any minute, I hope.

Pete and his two daughters have both fished on my boat. I went to high school with Pete, and to university with him. This will be our 39th season fishing together. The crew that will start winding the gear on in a couple of days for our halibut fishery include Pete, my nephew Angus, and my daughter Tiare, along with her boyfriend, who fishes halibut on his own boat.

In August, in all likelihood we'll be doing another research charter, the inshore rockfish survey for DFO. For this survey, halibut fishermen relinquish a portion of their halibut quota each year to pay for essential rockfish stock assessments. Charter vessels like ours are sent out to do the work.

My partner Judy and I both fished herring and salmon together for many years before she came ashore to look after our daughter. We live in the Comox Valley on the east side of Vancouver Island, but have fished the whole coast, from the Washington line up to Alaska.

My fishing business, Arbegar Fishing Co. Ltd., has been incorporated for some 35 years. Over that time, Judy and I have repeatedly mortgaged our house to upgrade the fishing business, then paid off the loans as we caught fish. As we've moved into new fisheries and moved out of other ones trying to keep up with the times, we've bought and sold vessels and licences and quota, and the company has been involved.

As I'm now a pensioner near the end of my active fishing career, I'm engaging in succession planning with my crew so that they can carry on the enterprise and support their families. Both my nephew and my daughter are buying into the quota holdings of the company year by year, as they can afford it. My nephew will be running the boat at some point, but not yet. I'm not quite ready to hand over the wheel.

I've been active on the co-management side of the various fisheries, sitting on a number of domestic and international advisory and industry boards over the past four decades. Currently I'm on the Halibut Advisory Board, which is an elected board that co-manages the halibut fishery with DFO and the Commercial Industry Caucus. I'm also president of the associated BC Commercial Integrated Groundfish Society, an entity that contracts with service providers to provide monitoring in the groundfish fisheries on the hook-and-line side.

● (1620)

The Pacific Halibut Management Association, of which I am a director, is an industry association, and we represent about 70% of the halibut quota on the coast. I am also serving as an industry commissioner to the International Pacific Halibut Commission. This will be my fifth year, if I am reappointed—I think it is in process—and while there I served two two-year terms.

I was part of the group of seven distinct fisheries and the processing sector that met for four years, in concert with DFO and the provincial government, both of whom jointly funded the process, to hammer out the integrated groundfish management system that we have been using here in B.C. now for 11 seasons. It is a world-leading system that some 15 foreign delegations have come here to learn about over the last half-dozen years or so, with an eye to adapting it to their home fisheries.

Individual accountability for all mortality resulting from fishing, monitored 100% at sea and 100% at dockside and validated by an audit of each trip, is the core of this management system and the key to its success. The fisherman is responsible for staying within the annual limits for some 53 separate species/area combinations if you include the trawl fishery and all the hook-and-line and trap fisheries, and since its inception in 2006, no TAC has been exceeded.

The system is complex and expensive, and at first fishermen were skeptical, but now the fleet is proud to fish within the most conservation-minded management system there is. I should point out that it costs me, on average, about $1,600 per trip to have the monitoring done.

The halibut sector was the first fishery to get marine stewardship certification in B.C. We could never have achieved this gold standard in marine conservation had we not made it possible for the groundfish fishermen of B.C. to move quota by species, by area, from boat to boat and sector to sector and even season to season, to cover their catch and their mortality. You don't always know just what you're going to catch.

To conclude, the way in which the B.C. fishery has evolved since the province joined Confederation and the current licensing and co-management structure to which many fishermen like myself and my crew have fully committed are very different from the evolution that has taken place on the east coast.

Allocation via some sort of adjacency to coastal towns or jurisdictions would gut the integrated groundfish management program. The owner-operator and fleet separation concepts are a century too late in B.C. Processing companies have owned vessels and licences and have been vertically integrated for many decades, if not for almost a century in some ways.

Most B.C. fishermen, like me, utilize some kind of corporate structure in their fishing business to sell their catch to processing companies and to move quota around as necessary to cover catch and mortality by species and by area, as well as to effect succession of the business to the next generation.

Unwinding all this and converting to a completely different regime is unworkable and unnecessary, in my opinion.

You will have noticed that most of what I said was focused on groundfish. That is what I am doing these days, and it's my area of expertise these days, although I did fish salmon for 35 years or so.

That's the end of my presentation. I'd be pleased to try to clarify any points on which I was unclear.

There's just one note I would like to make, though, from a previous presentation. The Canadian Fishing Company—and once again I'm talking about halibut, because that's the fishery I'm most involved in now—owns eight licences, which is about 2% of the licences, and they own 2.96% of the quota. They're a very small player in the halibut business. To my knowledge, they haven't gotten any bigger since the inception of quotas, back about 21 years ago.

Thank you.

● (1625)

The Chair: Thank you, Mr. Boyes.

We're now going to go to questioning. For the sake of our witnesses, the way this works is we have four questioners in the first round, for seven minutes each.

I would like to remind our folks here that when you're asking a question, because we have two people on the phone and one by video conference, please identify the person you're questioning, either at the beginning or the end of your question. That would cut down a lot of delays.

The first seven minutes goes to the government side. Mr. Hardie, you have the floor.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, Mr. Chair.

Thank you all for being here. I have a bit of an attachment to you all from the many years I worked at TK radio and television up there. My father-in-law, Les Powell, operated for the co-op with his boat, the *Kalmor II*, which I went out on a few times. I remember Rupert harbour as being pretty busy. I get the impression that it's not that way anymore. There was even talk back then about how the business was changing, morphing, and mutating in some cases.

On the business of Jim Pattison acquiring all of these licences for salmon fishing, how did that happen? What change came along? What permitted that to happen?

Ms. Thorkelson, maybe you can speak to that, and then anybody else can chime in.

Ms. Joy Thorkelson: When Roméo LeBlanc was minister, he got an agreement with the companies that they would not own more than 12% of any of the salmon licences. It was just a policy.

As fleet consolidation took place, the companies divested themselves and made sure that they didn't own any more than 12%.

Now I think Canadian Fish, the Canadian Fishing Company, owns around 40% of the licences outright. They achieved that through a number of ways of doing things, including bankruptcies and consolidation with other companies. Canadian Fish was actually a big player in the industry in 1980. Canadian Fish closed, and BC Packers bought the northern assets of Canadian Fish, and then Canadian Fish bought out BC Packers. There's been this whole roll of consolidations. Canadian Fish bought Ocean Fisheries.

Now there's just one large company, and that is Canadian Fishing Company. All those licences that those other companies owned were part of the deal. That's really, I suppose, how Canadian Fish got most of its licences.

There was an interesting study done by Andrea Haas and Danielle Edwards. They tried to find out how many licences are actually owned by Canadian Fish and how many licences are operated through controlling agreements. She's written a paper that's published in *Marine Policy*. She goes quite extensively through the hoops she tried to jump through to find out who owns what boat and what licence. She believes she has only scratched the surface of that ownership. Her paper is published in *Marine Policy*. It's short, and I really urge you to read that. She goes through how difficult it is to find out who owns what licences because so many are owned under numbered companies.

We know that Canadian Fish owns 40%. What we're not sure of is how many more they own through shared ownership with less than 100% ownership or how many they have controlling agreements with.

● (1630)

Mr. Ken Hardie: Thank you.

Perhaps this is a question for Mr. Lewis.

Let's say you don't own the licence but you own the boat. I've had some discussions with people who are in this situation. They own their boat, but they don't have a licence. They basically rent the licence and they go out to sea and they catch fish.

What's the spread between the landed value of the fish they catch and what they actually get paid for doing their work? Do you have any sense of that?

Mr. Conrad Lewis: That question is for me?

Mr. Ken Hardie: Yes, sir. Basically, you catch a boatload of fish and you land it. What's the value of the fish, generally speaking, versus what you actually get paid for doing that work?

Mr. Conrad Lewis: Myself personally, I've been a shoreworker all my life. My great-grandfather, my grandfather, my father, my mother, my grandmothers all worked in the industry, and in those days they were fishermen. When the company started to open canneries, my mother, my aunts, my grandmothers—they were the ones going into the canneries to work.

The value of the catch in those days was not much greater than the value of the catch nowadays. They have been through some kind of agency, whether DFO or CFC themselves or whoever it is—Joy would know more about this—so the landed value has remained almost the same for individual fishermen. Corporations or companies are able to control the cost of what is actually landed and to reap the benefits of what they receive on the other end as far as getting to market is concerned.

Mr. Ken Hardie: I will ask that question of others and see if they know.

One person I spoke to who fishes off the west coast of Vancouver Island said he might bring in $1.5 million worth of fish, but he would make maybe $300,000 after covering expenses and paying the crew. Is that what you've heard, or do you have other metrics?

Mr. Arnold Nagy: I was just talking to a friend of mine who came in about a week ago, and he had gone out halibut fishing. He actually leased some quota. He got $9.20 a pound for his halibut, but the price for him to lease it was $7 a pound, so he was basically going out fishing halibut for $2 and a bit of change per pound.

Mr. Ken Hardie: Does anybody know why things developed on the west coast so differently than on the east coast? On the east coast, generally the people owning the licence don't necessarily have to be the boots on the deck, but they still have to be the operators of the vessel.

● (1635)

Ms. Joy Thorkelson: There were two commissions of inquiry, both of which recommended that our fisheries in British Columbia go to ITQ fisheries. One was the Pearse commission report in the 1980s, and the other was the Pearse and...I can't remember the second fellow's name, but Peter Pearse wrote both of the reports. He had other people writing the reports with him, whose names I can't remember. Both of those reports recommended quotas.

The first quota fishery, I believe, was abalone, which was a failure because so much fish was taken out of the water and not accounted for under quotas. Also, probably there were some physical changes in the ocean that affected abalone stocks. I think halibut was the next fishery that went to ITQ. Halibut was the poster child for the fishery, showing how wonderful the halibut fishery was.

Mr. Boyes represents one point of view. If you talk to Art Davidson, who represents the halibut longline association, which most halibut skippers and many halibut quota owners belong to, they'll tell you the exact opposite.

The Chair: Thank you, Ms. Thorkelson, and thank you, Mr. Hardie.

Mr. Strahl is next.

Mr. Mark Strahl (Chilliwack—Hope, CPC): Thank you, Mr. Chair, and my thanks to our witnesses.

Ms. Thorkelson, has the cannery in Prince Rupert ever processed fish caught in Alaska?

Ms. Joy Thorkelson: Yes.

Mr. Mark Strahl: On average, say, last year, what percentage of the fish processed would have been caught in Alaska?

Ms. Joy Thorkelson: Last year it would have been probably a greater percentage, because we had very little of our own from British Columbia. I would say that when BC Packers owned the plant, they brought lots of fish down. Canadian Fishing Company has a large cannery in Alaska called Ketchikan, so they bring very little down to Prince Rupert anymore—in some years, none.

Mr. Mark Strahl: How many hours per year would an average canning line worker have worked on the line last year, or on an average of the last five years?

Ms. Joy Thorkelson: I'd like to take last year out of the discussion, because last year we had the worst year on the coast. That was the worst year in my whole life.

Mr. Mark Strahl: Let's take the previous four or five years, then.

Ms. Joy Thorkelson: In the previous four or five years, I would say the average senior shoreworker, somebody of Conrad's stature, would have probably—

Conrad, how many hours did you get last year without banking them—or two years ago?

Mr. Conrad Lewis: Thanks for saying “without banking them”. In all my years, I've never banked any overtime.

Last year, even though we don't want to talk about last year, I barely made the requirements for EI. The year before that, where Joy wanted to move us to, I barely made EI once again. The only difference between last year and the year before was that they found some fish to process in September. Had they not done that last year, I would have been on welfare. With 39 years' seniority with CFC, I would have been on welfare.

Mr. Mark Strahl: If we take out last year, how many workers, on average, would be employed on the canning line per season?

Ms. Joy Thorkelson: Since Canadian Fish bought the plant, there have been 750, and that's—

Mr. Mark Strahl: Per year?

Ms. Joy Thorkelson: Yes, every year. That's 750, and when BC Packers had the cannery, we put more fish through and we had a seniority list of 1,100 people.

Mr. Mark Strahl: What year was the plant built or last upgraded in terms of facilities or capacity?

Ms. Joy Thorkelson: We've just discovered—maybe the maintenance workers knew—that they've actually been investing in different seaming equipment and other equipment in Alaska. Canadian Fishing Company has done that and has left our seamers to be.... Our seamers are old. All of our equipment in that cannery is old. There's very little new equipment. The new equipment has been in what we call the skinless/boneless line, and they shipped the better equipment in the skinless/boneless line up to Alaska. Now it's being done in Bristol Bay with our equipment.

Mr. Mark Strahl: Okay. Are there any other community capacity issues that might affect the ability of Canfisco to use the Prince Rupert plant for more processing? For instance, what is the cold storage capacity in Prince Rupert now?

● (1640)

Ms. Joy Thorkelson: BC Packers and Canadian Fish, when they joined together and were called Allied Pacific Processors, tore down Atlin Fisheries, which had a large cold storage. Then Canadian Fishing Company bought Ocean Fisheries, which had a large cold storage and two freezer operations, and they tore that down two years ago. They have a freezer in their plant, but no cold storage.

We've asked the company to.... We offered to lease reefer units to use as cold storage units so that we could process herring—there's a herring season—and they turned us down. The union offered to do that with our new work opportunity money.

Mr. Mark Strahl: If we want to talk about last year, or certainly the last five, what would you say the average is? How many thousand cases of canned salmon—-

Ms. Joy Thorkelson: That's a question for Conrad.

Mr. Mark Strahl: Conrad, how many cases of canned salmon would the plant have produced, on average, over the last five years?

Mr. Conrad Lewis: Thank you, Mr. Strahl. That's almost a Double Jeopardy question.

We had the capability to maintain.... If they did proper maintenance in the facility in our plant, we would have the ability to can 500,000 cases or more. In fact, we've done that. We did it in one specific year, but every year after that we began what was a slow transition to less and less canning.

Consequently, we were the only canning facility that did skinless/boneless, as was referred to by Joy Thorkelson, and then all of a sudden the skinless/boneless operation showed up in Alaska. Then it even multiplied our volume of cans in the Prince Rupert plant and increased the volume of cans in Alaska, because not only were we competing with Alaska canning, but the Jim Pattison Canadian fish cannery is competing with the Jim Pattison Alaska cannery, plain and simple.

Mr. Mark Strahl: I only have a minute and a half left, so I wanted to ask you this, Mr. Boyes. You mentioned buying and selling vessels' licences and quota. Have those always been done in a willing seller-willing buyer transaction, or is there another process, an extra process, that I might not be aware of there?

Mr. David Boyes: In effect, it's a willing seller-willing buyer process. In fact, no fisherman can sell his licence to another fisherman. He actually has to petition the minister to retire that licence in his name and reinstate it in another fisherman's name.

That's the theory. The practice is that you can buy and sell licences, and it's a market-based system. That's what the government has been using to buy licences.

For instance, in the case of the halibut fishery, I think 21% of the quota is now beneficially owned by first nations for the purposes of treaty settlements. Some are settled; most aren't. Those licences and the associated quota have been bought out of the commercial fishing.

The Chair: Thank you very much, Mr. Strahl.

Now we're going to go with seven minutes for the NDP.

We're going to go to you, Mr. Donnelly, but I believe you may be splitting your time. Is that correct?

Mr. Fin Donnelly (Port Moody—Coquitlam, NDP): That's correct, Mr. Chair.

Thank you, Mr. Chair, and I would like to thank the United Fishermen and Allied Workers' Union and Unifor—Mr. Lewis, Mr. Nagy, and Ms. Thorkelson—and the north coast nations that they represent. Thank you, Mr. Boyes, as well for your testimony to the fisheries and oceans standing committee.

Mr. Cullen, who represents Skeena—Bulkley Valley, will ask the first question.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Thanks very much, and welcome, Joy. It's nice to see you, and Conrad, Arnold, and David as well.

I have a quick question just to set some context for us, Joy, if you could, and welcome to some Prince Rupert weather; we brought it in specially.

In the context of where the fishing fleet has gone, say in the last 10 or 20 years, there have been a number of government policies coming from Ottawa through Fisheries and Oceans that have affected the way people fish and the number of families the industry now supports.

To start us off, can you give us some context on the north coast region and what the impact has been of some of those policies, and the concentration of who's buying the fish and what impact that has on shoreworkers and fishermen alike?

● (1645)

Ms. Joy Thorkelson: When I first moved to Prince Rupert, it was a booming fishing town. I believe there were seven canneries, 10 fresh-fish plants, three reduction plants, a bunch of net lofts, two boat shops attached to the cannery and two other boat shops that weren't attached to the cannery, and probably around 2,000 to 3,000 shoreworkers, some of whom were union and some of whom were not.

We don't know how many people are going to be employed this summer. The company said it was going to be around 300, but they just had a meeting with my co-worker and said that it was probably going to be around 200 this year. We guess there are around 400 workers left out of around 3,000.

There's only one boat shop, McLean's, and it does all of the boat-shop work in Prince Rupert. There's one net store left, and ancillary industries have just gone down.

The Prince Rupert city council, along with the Port of Prince Rupert just built a new marina, and the new marina was complaining to the city that there are no ancillary industries now to repair any vessels in Prince Rupert.

Mr. Nathan Cullen: Thank you. That means there's a 90% or more reduction in the number of people working in the industry.

I have a question for Arnold. I'll leave off with this, and thank you for the time, Fin.

Actually, I'll go to Conrad.

What has the impact been on northern first nations communities?

This is a declared mandate from the government, from previous governments, to help first nations people acquire and sustain work. Joy has described the impact broadly. There are a lot of villages, and a lot of first nations people are living in Prince Rupert proper. What's the impact been over the last 10 to 20 years from federal policies on the ability of first nations people to find and hold on to work in the industry?

Mr. Conrad Lewis: Thank you, Nathan.

In a lot of our people's views—mine personally, and a lot of our families and fellow nations in the industry—our *haun* has been an industry that has sustained us both through sustenance and commercially for many years, but we've seen a slow transition.

From actually making a living and buying houses and cars, through policies that come from DFO or from the government in Ottawa we have seen a slow transition and are struggling now to ensure that our quality of life is maintained at a certain level. We have since fallen below that level. Where we bought houses and cars, where we went on holidays, and where we saw our children and grandchildren moving into houses of their own, we're now seeing them going into shared houses or getting into accommodations that are smaller than what they traditionally would have gone into.

We can reverse that. People say fishing is on a down cycle. It is not. It exists, and all we need is to manage it properly.

Mr. Nathan Cullen: Thanks very much for that, Conrad. I appreciate it.

Mr. Fin Donnelly: In the few minutes that we have remaining, Mr. Nagy or Ms. Thorkelson, could you comment on adjacency?

I know you've presented some recommendations, Joy. Thank you very much for doing that. I think the committee could look at those and decide if it wants to go further and perhaps do a study to look at how they could be implemented.

In the remaining minute or so, could you talk about how adjacency or these policies on the west coast could make a difference for Prince Rupert and other coastal communities?

Ms. Joy Thorkelson: Arnie, do you want to take that?

Mr. Arnold Nagy: As someone who has worked in the plant a lot of the time, I remember when we used to watch all the groundfish being cut in the north. Now we see it being loaded into the back of a semi and trucked out. I've watched all of the halibut that in the old days used to come in on the so-called lottery fishery that would employ us for two months in the freezers and in the fresh fish department at Atlin. Since they've gone to quota systems, that fish now comes in a little bit at a time and is also loaded into the back of a semi and trucked out.

Basically, fish comes in, it's unloaded, and it's gone. There is no further processing of any of those fish that we used to do in the past. I think that's the important thing. So much money is caught up here. I think there is $800 million in B.C. in the value of fish; $400 million of that fish is from the north coast, and we're not seeing anybody benefiting from it in the plants. It's put on the back of a truck and it's gone.

With the adjacency principle, if you had to process some of that fish.... I understand that some of it might not be able to be processed up here, and that's the reality, but we have to be able to process something. We are flexible. We are willing to change. Maybe there will never be another canning facility up here, but we are willing to change to make sure that we can process some of that fish up here. Every time we've made a recommendation to the company, we've been told no.

What do you want to do? Do you just want to sit back and watch all that fish leave here in the north, and coastal communities such as Prince Rupert get wiped out? That's the reality of what could happen. People are going to be forced to leave Prince Rupert to try to find work elsewhere, because there are not a lot of other opportunities up here. People have built their livelihood around processing fish here in the north, and it's being taken away.

● (1650)

Mr. Fin Donnelly: Thank you for your testimony.

Mr. Arnold Nagy: Adjacency gives us the opportunity to bring that economic future back for the people of the north coast.

The Chair: Thank you, Mr. Nagy. We appreciate it.

Mr. Morrissey, go ahead for seven minutes, please.

Mr. Robert Morrissey (Egmont, Lib.): Thank you, Mr. Chair.

My question is one of policy, and I want some clarification.

There seems to be some insinuation that if DFO moved to a policy that was more compatible with the way DFO licenses and oversees the east coast fishery in Atlantic Canada, that would solve the labour problem at this particular plant.

In maritime Canada, there is no policy within DFO that dictates where the product must be sold or where it goes. For instance, 65% of the seafood caught in P.E.I. leaves the province to be processed elsewhere. I'm not so sure a policy change that would mimic what's done on the east coast would address your issue. Could you speak to that? There's no control of that product. It moves to where processing is more efficient on the east coast, even though the licences are controlled by independent fishers, so that policy change would not address the issue that's affecting this particular plant.

Could Joy or someone else comment on that ?

Ms. Joy Thorkelson: Very quickly, we believe it's a three-legged stool. I was trying to think of a fourth leg, but I couldn't.

The reason we tried to address this is that we need adjacency. We know that the Liberals at the Liberal convention passed an excellent resolution on adjacency. It was brought to the convention by the Newfoundland arm of the party, and it was passed. It's called the P-01 adjacency principle, and it sets out exactly our argument on adjacency.

The second thing is that if you have owner-operator and fleet separation, then the company doesn't control where the fishermen must deliver. Right now, as Arnie said, Lax Kw'alaams has a fish plant. The Government of Canada put a lot of PICFI, Pacific integrated commercial fisheries initiative, money into that fish plant. That fish plant is empty. It's not operating because the corporate control is directing the fish somewhere else. Those Lax Kw'alaams fishermen can't go and deliver to their own fish plant.

We need owner-operator and fleet separation, along with a fishermen's loan board, which I understand is provincial, and probably a few other things too.

Mr. Robert Morrissey: That's provincial.

Ms. Joy Thorkelson: Right. We need a few other things. That's not our ask of the federal government.

Our ask of the federal government is to go and have a commission to see what happens. We need adjacency, fleet separation, and owner-operator policies so that the company can't control, can't tell fishermen, can't take that fish away. That fish is all going to be delivered to Rupert.

That fish is going to go down because the Canadian Fishing Company controls those licences. Those fishermen must deliver to Canadian Fishing and that fish is going to go where Canadian Fishing tells it to go.

If those fishermen were independent, they could deliver to Aero Trading, which has an operation in Rupert. They could deliver to Lax Kw'alaams, which has an operation, or they could deliver to another private company that could be set up in Prince Rupert.

There aren't any private companies, because Canadian Fishing owns the licences. If you wanted to build a company on the north coast, it would be virtually impossible, because you would not have access to fish. The fish, either through quota domination or through licence control, is being delivered to Canadian Fishing.

● (1655)

Mr. Robert Morrissey: I go back, because I'm still a bit confused.

The adjacency policy that was adopted by the Liberal Party is in reference to allocating quota based on historical data and adjacency. On the east coast, if I want to set up a business, I can set up a business tomorrow to process product. I'll get the product if I pay the best price. We have no control, nor does anybody on the east coast want DFO to ever dictate where the fishermen can go and sell their product. As a politician, you would be lynched on the wharf if you did that.

Again, I can understand the policy change itself, the separation. My question then leads to the competition between the two plants.

I'm not sure who made the comment—it may have been Mr. Lewis—that you're competing with a plant that's owned by the same company, located in Alaska. Could you comment on that? What is making that plant more efficient than the Prince Rupert plant, therefore dictating that the company will transfer its product there? We face the same issue on the east coast. We'll have product that's moved all the way to Asia for processors for competitive purposes.

Could you comment on what is making the Alaska plant more competitive than the Prince Rupert plant?

Mr. Conrad Lewis: Who is that question directed to?

Mr. Robert Morrissey: To you, Conrad. I believe you made the comment.

Mr. Conrad Lewis: Yes, I made that statement.

When we talk about skills and labour and we talk about Alaska being more efficient than the Prince Rupert plant, there is no comparison. You can get just as good material in Alaska as you can in the Rupert plant, but when you don't do it in the Rupert plant and you do it in Alaska, then the competition becomes unfair.

Then Rupert imported, and Sunnyside, North Pacific, and the other cannery followed. We were the transient workers who went there. We established ourselves. We made an income. We made a living. Then we stayed there.

Jim Pattison wants to do that in Alaska, and that is exactly what he's doing. His workforce is loaded with transient workers. That is how he is making his money.

It's the same way with fishing. The prices didn't stay low by themselves; they stayed low because they needed them to stay low. When they do that, whoever is in charge of selling and reaping the benefits of selling product, if he's managed to keep the prices low on buying it, and doubles, triples, quadruples the price on selling it, he's going to be making money, but the poor people who fished it will remain the same as they always have.

The Chair: Thank you, Mr. Morrissey.

We're now going to go to the second round for five minutes. We'll start with Mr. Arnold.

Mr. Mel Arnold (North Okanagan—Shuswap, CPC): Thank you, Mr. Chair, and I thank all of the witnesses for being available today. It's a short time to study this topic, but it's obviously very much of concern for the residents of Prince Rupert.

Could we get a little more history on this issue? We heard from many people in the video that some had 30 and sometimes 40 or more years of experience in the fishery.

How many canneries were there in the Prince Rupert area, say, 40 years ago, and roughly 10 years ago? It's just to get a history of the decline. Has it been a steady decline in the number of canneries and jobs there?

I won't direct it to anyone in particular, just to whoever feels they have the best history on that.

● (1700)

Ms. Joy Thorkelson: I think there were eight canneries. I was just trying to count them in my mind, but I believe there were eight canneries about 40 years ago, and now there's one, which is closed, so B.C. has no more canneries except for the small two-line cannery that used to just do sport fish. Now Nuu-chah-nulth just bought interest in that to see if they are able to can fish, but we don't know what they plan to do. We don't know whether they want to can sports fish or what they want to do.

Really, there is no production cannery in British Columbia now, and I would say there were eight 40 years ago. If you want to look at 10 years ago, there were maybe two, and now there's nothing.

Mr. Mel Arnold: Okay. Thank you.

There's an obvious trend here. It's not something that's happened in recent history; it's been over a number of years.

I have a question for Mr. Boyes.

How would adjacency affect your ability or the ability of other fishers to choose the location along the coast where they may want to have their fish processed? Would it force you or other fishermen into having your fish processed in one particular area, or would you still be able to choose?

Mr. David Boyes: Well, I don't know. That would depend on what the rule was or what the regulations were.

I think for halibut, Prince Rupert is still a pretty big port. Port Hardy is probably just as big or bigger, and then a fair amount of fish goes into Ladner, and not too much to anywhere else.

Halibut is landed, gutted, and head-off—better than head-on—and then traditionally and for the most part, it's entered on the dock and then repacked, and away it goes. It's primarily an I-5 corridor market down into the States. Most of the fletching takes place closer to the retail end of things. At least, that's my understanding. That's what I've heard. It's almost never canned.

If I can just make one other comment, though, on adjacency, it's not just where you land the fish. At least as I understand it, this is a possible extension.... Maybe I'm wrong.

Groundfish is managed on this coast through a bunch of statistical areas. Salmon is managed by a bunch of other statistical areas. The two systems don't really mate up, but the allocation of groundfish is by that statistical area. Some allocations are coast-wide, and many are for one or two or four statistical areas combined for biological reasons. The TACs are allocated by the statistical area, especially for the relatively non-migratory species, so that becomes an issue too, because the statistical areas that might be adjacent to this community or that community are going to have a certain amount of TAC available to them for species like rockfish or ling cod.

Right now the system is the ITQ holdings by statistical area by species for these kinds of fish, and when a fisherman goes out on a fishing trip, he may fish in a particular statistical area until he bumps up against a critical bottleneck species for him in terms of his quota holdings of that species. Although he may still be able to catch plenty of fish of other species, he's got to move on because he doesn't have that critical bycatch, so then he moves on to another statistical area and tries to catch some of his other fish out of that area. It's a complex system, and we're always moving fish between vessels, between areas, and trading and lending and leasing fish in order to stay within the TAC by area.

The way it's done today is not a system that's really amenable to just saying, “Okay, this area is off of this community, so that's where you've got to do all this.”

● (1705)

The Chair: Thank you, sir.

Thank you, Mr. Arnold.

Mr. Finnigan, you have five minutes, please.

Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for appearing today. I'm from the east coast, and I'm still trying to learn how fishing works in my end of the country.

I'll ask the first question to Mr. Boyes.

In 2004, Ecotrust Canada released a study estimating that by 2003 the market value of licence and quotas would be more than six times the capital invested in vessels and equipment.

Could you tell us what a licence is worth today, Mr. Boyes?

Mr. David Boyes: It varies by species. I can give you some guesses that are going to be in the ballpark, although there are not a lot of transactions going on right now that I've heard about.

I'll start with halibut. I know it's at least $85 a pound to purchase ITQ.

With black cod, I know of some that went recently for $65, but it may have been gone up a bit since then.

Ling cod seems to trade in the neighbourhood of $8 to $10 a pound.

Rockfish sells more or less in terms of a ZN licence, which is an outside rockfish licence. You buy the whole licence with the associated eight or 10 species for varying amounts in varying areas. That licence is about $150,000.

On the trawl side of things, I don't have much expertise as to what they pay for their boat, but it's, you know....

Mr. Pat Finnigan: If a young person wanted to get into the trade, how much would it cost for an average licence and rigs and equipment? Could they bring that to the bank and be able to finance that?

Mr. David Boyes: You can't bring it to the bank because there's no security in licences. I explained a little earlier how you'd have to go to the minister and petition the minister to cancel the licence in your name and reinstate it in somebody else's name.

We find also there are leakages of quotas. For instance, with the halibut quota, the sports sector was granted an additional 3% out of the commercial share about two or three years ago. It was during the election. That took $14 million out of the pockets of the halibut fishermen and transferred it to the sports fishery with no compensation.

When banks see no security, no attachment, and the ability of government to move the fish around at will, they're not willing to lend any money. If you're a beginning fisherman and you want to get going in this business, then you have to start out on a lease quota. That's the way I started out, by leasing quota.

Mr. Pat Finnigan: Thank you.

My next question would be to either Mr. Nagy or Mr. Lewis.

In our part of Canada—and maybe the parliamentary secretary can correct me on this, or Mr. Morrissey, who has more experience than I do—first nations have been allocated quotas, and those quotas, as far as I know, have to stay within first nations.

Can you tell me what percentage the first nations would own in the quota for the rights to fish on the B.C. coast?

Ms. Joy Thorkelson: I can tell you that.

Mr. Pat Finnigan: Either Mr. Nagy, or Mr. Boyes, or I think Ms. Thorkelson.

Ms. Joy Thorkelson: PICFI bought up 15% of the salmon licences on the north coast. On halibut, I think it has less than 15% on the north coast. Our areas are different, so maybe Mr. Boyes knows what the PICFI transfer to first nations is.

Mr. David Boyes: As I think I said earlier, the overall number for halibut is 21%. I don't know what it is on black cod, ling cod, prawn, or geoduck, but there have been PICFI purchases of all of those. The ATP process was doing that before PICFI started up, but I don't know what the total numbers are by species. It's available, though.

Mr. Pat Finnigan: On the east coast, we're having a major labour problem. Would you say there's the same thing in B.C.? We're having a hard time to get workers. We have to bring in people from outside. Is that the same issue some of the processing plants are facing on the west coast?

Maybe Ms. Thorkelson could answer.

Ms. Joy Thorkelson: I see Conrad has his finger on the button.

● (1710)

Mr. Conrad Lewis: I don't know how many times I have to reiterate this, but we were transient workers at one point. We had become skilled workers. We're still there. Every other industry has come and gone. We are still there, but the problem is one man is controlling all of that.

The Chair: Thank you very much.

For the next five minutes we're going to go to Mr. Strahl.

Mr. Mark Strahl: Thank you, Mr. Chair.

Maybe, Ms. Thorkelson, you could give us some information. Certainly we have Canfisco representatives coming later this week to talk about this issue, so maybe we'll ask them as well.

Is it your understanding that the worldwide market for salmon products has changed over the years and that there's less demand for canned salmon overall than for fresh salmon or fillets or other fresh salmon products?

Ms. Joy Thorkelson: Canadian Fishing gave us the statistic that worldwide demand for canned salmon is decreasing by 1% every year. What I would like to say, though, is that Canadian Fishing is the largest importer of canned salmon from Alaska. From Bristol Bay itself, Canadian Fishing imports 12% of the Bristol Bay pack into Canada, so yes, there is a worldwide decline, but not a Canadian one.

Mr. Mark Strahl: You mentioned that you didn't want to talk about last year because it was the worst year on record in terms of landed salmon for canning purposes. Was it the same in Alaska, or did they have a more reliable fishery? In terms of landing weight, do they historically have a more robust salmon fishery than the north coast of British Columbia?

Ms. Joy Thorkelson: British Columbia's pounds landed have gone down and the pounds that we're putting on the spawning grounds have increased, so those fishery demands have changed. Certainly we land less commercial product than we used to.

In Alaska they have what they call regional settlement development, which is community-owned ocean ranching. We don't have that in Canada. We have production hatcheries that the DFO has been closing. They closed commercial production hatcheries or lowered the number of fish going to the ocean through commercial hatcheries, so yes, by policy we have fewer fish on this coast.

Mr. Mark Strahl: Right, and you mentioned that when there has been a shortage of Canadian fish or when fish have been moved around, the Canfisco plant in Prince Rupert has in the past certainly been processing Alaskan salmon.

I think it's a little inconsistent. I think that if we were to change the policy, we'd have to grapple with why we would allow Alaskan fish to be processed in British Columbia but we don't want British Columbia fish to be processed in Alaska. Maybe you could walk me through that. It appears to me to be a bit of a contradiction.

Ms. Joy Thorkelson: Alaska has an act called the Magnuson-Stevens Act. It basically only allows fish surplus to Alaskan needs to be exported out of Alaska. You can either export it to China or you can put it on foreign factory ships or you can export it to Canada.

The fact is that their plants never go wanting. In fact, they have so much fish that they have to put forward a plan showing how much each company is going to process to the Alaska government prior to the season.

Yes, we could say that we're not going to bring any Alaska fish down. We only bring fish that are surplus to Alaska processing needs to Canada.

Mr. Mark Strahl: Saying that they are never wanting certainly speaks to their having a much more reliable source of fisheries compared to the wide variations that might occur in B.C.

I think Mr. Finnigan touched on the final question I had. So that I'm clear, are there zero temporary foreign workers at the Prince Rupert plant? Is that my understanding?

Ms. Joy Thorkelson: Yes. As far as I know there are no foreign workers in the commercial fish industry in British Columbia.

Mr. Mark Strahl: Thank you.

The Chair: Thank you, Mr. Strahl.

Mr. McDonald, you have five minutes, please.

Mr. Ken McDonald (Avalon, Lib.): Thank you, Mr. Chair. If I have time, I'll split it with Ms. Jordan.

I want to clarify something.

A number of the witnesses have made reference to the east coast with regard to rules of adjacency, operator-owner, and fleet separation. Being from the east coast of Newfoundland and the riding of Avalon, which has a strong connection to the fishery, I know it may be a policy of DFO on the east coast that there be owner-operator and fleet separation policies, but that's not always the case, because I know it to be a fact that some of the larger fish companies do own quota and own vessels that fish the quota.

With regard to adjacency, we argue for adjacency every day. We argue that the fish should benefit our rural fishing communities first, before it goes anywhere else, but that hasn't always been the case and it's still not the case today, especially when it comes to many of our fisheries, the shrimp fishery in particular. I wanted to set that straight. The east coast doesn't have the ideal situation when it comes to those rules as well.

The processing of the product in Newfoundland is controlled provincially. The quotas are given from the federal department. Is it the same in B.C.? Does the province control processing licences and the federal government control the quotas?

● (1715)

Ms. Joy Thorkelson: Yes.

Mr. Ken McDonald: Okay, so to keep any plant going, whether it be the plant in Prince Rupert or anywhere else, wouldn't the right thing be to lobby the province to not allow the processing of the fish, which historically took place in a community, to be transferred not just out of the province, but out of the country to Alaska?

Ms. Joy Thorkelson: We have been speaking to the provincial government. It believes that capital should be unfettered, and therefore it believes that if Jim Pattison can make more money by transferring that fish to his non-union plant in Vancouver or China or the Philippines or Vietnam, it is the unfettered right of capital to be able to do so.

We've expressed to the provincial government that instead of paying welfare to a bunch of first nations people who used to work and make enough money to provide for their families, they would be better off negotiating adjacency with fish plants. We know that we will never be able to process every last fish that comes in, but we think that we should be able to process a good deal of it to keep our workers employed at Canadian Fishing.

The reason we're asking the federal government to do this is that when the federal Liberals were elected, mandate letters went out that said that they're supposed to have a look at social concerns, not just economic concerns, and consequently we're here talking to a committee dominated, we hope, by members thinking along those lines.

We know that the position of the federal government is that it can't deal with fish plants because they are provincial. We believe your responsibility is to talk to the provincial government and say we need to solve this problem together.

Mr. Ken McDonald: Thank you. I'll pass to Ms. Jordan.

Mrs. Bernadette Jordan (South Shore—St. Margarets, Lib.): Thank you so much to all of you for attending.

Ms. Thorkelson, you mentioned earlier that at one time, under former minister LeBlanc, only 12% of licences should be held by—

Ms. Joy Thorkelson: That was a policy, yes.

Mrs. Bernadette Jordan: It was a policy. Now you're saying that roughly 40% are held by Pattison.

Ms. Joy Thorkelson: They are owned outright.

Mrs. Bernadette Jordan: They are owned outright. Who holds the other 60%? I'm asking because the first video we saw said we can't land fish. If 60% of licences are being held somewhere else, I'd like to know who holds those licences. Where are they?

Ms. Joy Thorkelson: Some licences are held by individuals, some by first nations bands, and some in joint ownership. One of the problems is we say “owned or controlled by”; most of those licences on the B.C. coast are controlled.

That's why there's only one cannery in British Columbia. It's because the licences are all controlled by Jim Pattison. For example, a friend of mine fishes for Aero Trading on a quota fishery. He has to go to Jim Pattison and guarantee his first quota to Jim Pattison to get a second or third or fourth quota. He fishes for a company that can't provide him with another quota, so therefore he is only able to fish one quota, even though he's a very good fisherman and in the fishery he could catch 10 quotas. He can't catch those 10 quotas because he will have to sell his own first quota to Canadian Fish at a lower price to be able to lease other quotas.

● (1720)

The Chair: Thank you, Ms. Jordan. Thank you, Ms. Thorkelson.

Now we will go to Mr. Donnelly for three minutes, please.

Mr. Fin Donnelly: Thank you, Mr. Chair.

In my three minutes I'd like to ask Mr. Nagy a question.

It seems that we're talking about a fundamental issue here of ownership of fish. It's about who owns, who has access, and most importantly, who controls. We're looking at the possibility here of no more manufacturing, no more processing of this fish, on the west coast. That is a reality. We're moving away from that. We're now outsourcing to China and to Alaska and to other places.

In terms of processing Canadian fish in China and Alaska, how much fish that was caught in B.C. was processed outside of B.C., and how much salmon caught by the Jim Pattison Group was processed in B.C.?

Mr. Arnold Nagy: I can't give you the exact numbers because a lot of the information that the province used to put out in regard to canning of fish was stopped a while back because they needed three plants, three canning operations, to be going so that they could get an average. Giving out that information.... They would perceive it as unfair to Canadian Fishing just to release their numbers.

What I can tell you is that last year I ran the iron butchers, and pretty much every pink salmon that we got into the plant last year was headed, the eggs were removed, the fish was gutted, then it was sent into fibre totes to be shipped down to Vancouver and then to China.

As for the inland fishery, when there were fish for us to be able to pursue a commercial fishery on the Skeena, we were denied that opportunity. That fish came back down from the inland fishery. It was not very good fish, but the roe was taken out and the fish were once again headed, the eggs taken out, the fish were gutted, and then that was shipped down for freezing and also for shipment to China.

I want you guys to understand how it used to be up here when we were allowed to fish and we were allowed access to the resource. We used to can a million pounds of salmon a day in that fish plant. A million pounds. That fish would come into the plant and it would be in the can within half an hour. By going two shifts around the clock, we were able to do that. Because of all of the changes....

Back then, we used to have almost 1,400 people working in that plant. It was the largest salmon cannery in the world. Now we have nothing.

I still say, with regard to adjacency, that we have always stated as workers in the plant that we are willing to sit down with the companies to come up to some solutions to be able to process that fish. We're highly trained, experienced fish workers. If you want to fillet and freeze them and cryovac them, we can do it. There are all these missed opportunities. If they're not going to can here, we can use them to keep that attachment to the industry here.

The Chair: Thank you, sir. I appreciate your time.

I want to thank our guests for being here. Mr. Lewis, Mr. Nagy, Mr. Boyes, thank you for joining us from a distance. Ms. Thorkelson, thank you for joining us here.

We're going to have to recess for a few minutes to do some business. We'll try to make this very quick.

Thank you very much.

[*Proceedings continue in camera*]