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## **Standing Committee on Fisheries and Oceans**

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**EVIDENCE**

**Monday, February 4, 2019**

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**Chair**

**Mr. Ken McDonald**



## Standing Committee on Fisheries and Oceans

Monday, February 4, 2019

• (1530)

[English]

**The Chair (Mr. Ken McDonald (Avalon, Lib.)):** Good afternoon, everyone.

Pursuant to Standing Order 108(2), we are studying the regulation of west coast fisheries.

Today we have a number of witnesses who are appearing in person, and we have witnesses appearing by video conference. I'll start by introducing everybody who is presenting today.

As an individual, we have fisher Chris Cook. From the BC Seafood Alliance, we have Christina Burridge, the executive director, and Chris Sporer, executive manager, Pacific Halibut Management Association. From the Canadian Fishing Company, appearing by video conference, we have Phil Young, vice-president, fisheries and corporate affairs. From the Grand Hale Marine Products Co. Ltd, we have John Nishidate, general manager. Again by video conference, representing the Hub City Fisheries, we have Roger Paquette, president. From the Sport Fishing Institute of British Columbia, we have Owen Bird, executive director, and Martin Paish, director of business development. Welcome, all.

We'll start with statements from the guests. We'll do our video conference statements first, in case we run into some technical difficulties. Hopefully we won't have any trouble at all.

Before I do that, I want to welcome Mr. Miller back; he's a former member of the committee. Good to see you back again, sir.

**Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC):** Glad to be back.

**The Chair:** I look forward to your input.

We'll start with Phil Young, vice-president, fisheries and corporate affairs, Canadian Fishing Company, for seven minutes or less.

I'll have to be very strict on the time because we have a lot of presenters and a lot of questions.

**Mr. Phil Young (Vice-President, Fisheries and Corporate Affairs, Canadian Fishing Company):** Thank you.

My name is Phil Young. I've been in the B.C. seafood industry for 34 years, the last four years with the Canadian Fishing Company. Nearly every other company that I once worked for is gone, two of them due to consolidation, as our access to salmon and herring resources has declined due to nature and government policies.

I have a varied background in the industry, including sales, operations, fleet management and general management. I've had to shut plants down in smaller communities when the resource can no longer support the infrastructure. Telling workers of 30 years in smaller communities that their jobs are gone is not a fun thing to do.

I've sold boats out of the country, as the costs of maintenance were greater than they could earn during a three-week herring season and four-week salmon season.

I've lived through the restructuring of companies and the industry that have had to adapt to changes in societal values. I've watched public policies be implemented that don't seem to value an industry that puts food on the tables of Canadians in a sustainable manner.

Through it all, I've been part of the corporate side of the industry that has continued to evolve, invest and contribute to the lives of fishermen, shore workers and the economy of Canada, without asking for subsidies or handouts.

I've always tried to look beyond just the company I work for to see the bigger picture. I've been a director on industry associations for herring, groundfish, salmon and hake. I'm currently the president of the industry association responsible for the Marine Stewardship Council certification of B.C. salmon. I sit on national associations and international panels for the Government of Canada.

What I have to say today doesn't come from the perspective of a single company nor an outsider's perspective of the industry, but what has happened in the B.C. seafood industry. I've lived it, and I've felt it.

Our industry has changed, with less salmon and herring, leading to fewer companies, fewer fishermen and fewer plants. Technological changes have impacted labour requirements. Regulations in the processing sector for increased food safety have resulted in skyrocketing costs and the consolidation of plants. Salmon harvests are down 66% over the last 22 years, and herring is down 50%. Salmon no longer come into Canada from Alaska. We used to process their fish.

However, the industry has also grown in many ways. New species like geoduck, urchins, sea cucumbers and prawns have all been valuable additions. Quota management plans for halibut, black cod, groundfish and hake have all increased the value of the resource and helped to keep harvest within sustainable levels.

We have become far more sustainable, but there's been a cost to these lower harvests, both in fewer fishing jobs and fewer plants in rural communities.

Last year, our plant in Prince Rupert processed fish for a grand total of 28 days. In 2017, we put 2.4 million pounds of salmon through that plant. In 2018, it was 680,000 pounds. This is a plant that was built to do 1.5 million pounds of salmon a day, and we're doing that in a season.

It seems that somehow all of the negative changes in the industry seem to be laid at the feet of my current company. People have come before you with stories of our dominance in the industry and how we're using our market powers to keep new entrants out of the fishery. I can tell you that this is exactly the opposite of what we want. We know we need younger people in the industry, but they need to feel that they have a future. They have to feel that there will be a commercial fishery for them. At least some people believe that, because we've had two new people buy into our boats this year as complete fifty-fifty partners.

Rob Morley from our company brought you the facts two years ago. Canfisco owns 32% of the salmon seine licences, two gillnet licences and no troll. Overall, it's 4% of the salmon licences.

We are recognized. We buy about 37% of all the salmon on our coast, but we do that by buying from independent harvesters.

•(1535)

We own 30% of the salmon seine, 12% of the herring seine and 12% of the herring gillnet licences. In quota fisheries, we own 21% of groundfish quota, 15% of hake, 3% of halibut and 2% of sablefish. These are verifiable numbers, and we would support a licence registry that makes this even more transparent. Thus, contrary to misinformed reports and statements made before this very committee last week, Canfisco does not control all of the licences in B.C.

But yes, there are issues. In some fisheries, mostly ones that we're not involved with, the issue of distribution of benefits can be a concern. As a company that uses our quotas to fish, we need the options of moving, leasing fish so that we can meet our sustainability imperative.

Our company is a net lessee of quota. We bring in more than we have ourselves to be able to fish all the fish. We utilize our own quotas and have to lease quota from others. The entire groundfish management plan is predicated on being able to move fish around so that the harvest can be maximized while remaining within sustainable harvest limits. In non-quota fisheries, for example in the herring fishery, it couldn't even exist right now if you had just a single licence on the boat. There are just far too many boats for the available harvest. With salmon it's the exact same thing. If you have a single licence, you just can't make it work with the fish available.

You've seen the results of that with boats being sold out of the country and licences sitting on the shelf. Industry and DFO have recognized these problems and provided us a way to self-rationalize, rather than have the government buy back all the excess capacity.

I'd like to leave you with one final thought. As a company, we're willing to work with the rest of the B.C. industry to engage in

solutions that work for our industry and our coast, but we have to recognize we cannot ever go back on the conservation and sustainability achievements that we have attained or we will lose access to our markets.

Thanks very much.

**The Chair:** Thank you, Mr. Young. You were right on time.

We'll go now to our second presenter, from Hub City Fisheries, Roger Paquette, president.

•(1540)

**Mr. Roger Paquette (President, Hub City Fisheries):** First, I will say thank you for allowing me to be a witness to the parliamentary committee on this very important topic.

As you said, my name is Roger Paquette. I am appearing today as a representative from Hub City Fisheries, which is a fish company that has been operating on the west coast for the past 40 years. I have personally owned and managed this business over the years and have seen many changes in our west coast fishery. I have been closely involved with the fishermen over these years in helping to decide the best way to invest in the future of the fishing industry.

With the introduction of the Mifflin plan in the early 1990s, the mandate was to reduce the size of the fleet so as to increase the viability and sustainability of the remaining fleet. A lot of decisions were made by fishermen based on the government's guidance and planning to accomplish these better results for the industry. Since then, this has not happened and only has had the exact opposite results for the fishing industry.

Fishing vessels had multiple species of fish on each vessel, which enabled them to be diversified enough to have the ability to sustain their livelihood. Over the years, these different licences that were held by fishermen were eventually reduced to single fisheries. With the different changes that came about with the introduction of quota fisheries, fishermen were forced to either purchase more quotas or lease quotas on an annual basis, or merely volunteer to leave the industry.

Some of these fishermen who left the industry had no option, as they could not afford to pay for the ever-climbing values of these quotas or could not secure stable leasing arrangements.

At the present time, after years of various changes, there remain a limited number of fishermen participating in each separate fishery on our coast, still with many financial challenges. With the quota regime in place, it has allowed a smaller number of fishermen owning these quotas to control the larger number of fishermen, who are forced to pay unfair lease fees to continue fishing each season.

One could argue that they are not forced to pay these, but without an opportunity to fish, they have no possible way to make the living that they know and to maintain self-respect for themselves, their families and fellow fishermen.

The people—some fishermen, some corporate entities and some foreign investors—controlling the licences have the ability to ask for sometimes very unfair lease fees, sometimes as high as 80%.

Hub City Fisheries and I have full involvement in every aspect of the industry, and it is clear to see, in my opinion and that of many others, that there is a serious flaw in how the resource is managed and how the value of the fishery is shared. This is not a realistic share arrangement and has placed many fishermen in financial hardship, while quota licence-holders have done well.

It is important to have a true balance of fishermen and coastal communities that are able to earn a respectable income. That will allow these boats to share their catch dollars in terms of the survival of these coastal communities that are struggling for incomes and struggling to maintain the infrastructure necessary to serve both the fishing fleet and their communities. It is critical to maintain owner-operators through our fishery to allow the fleet size that will support both the families of these fishermen and those of the coastal communities, for both the self-respect and the integrity of the west coast fish people. From a fish-processing point of view, having a viable group of fishing vessels that are diversified in all fisheries keeps up the year-round activity for fish plant workers, truckers and all the integrated aspects that are involved and that allow it to function.

The west coast troll fishery has reached a critical benchmark at the present time, with an unfair sharing of the resource. I have also been an area G west coast troll harvest committee member for the past 20 plus years and have watched the share for these fishermen go from 80% of the catch to the commercial fishermen in 2005, down in this year of 2019 to a season allocation of 10% to 12%, with the majority of this total allowable catch going to the sport industry for 2019.

Going back a bit, there was a sport priority policy implemented in 1999 for five years, which was at that time approximately 20% of the total allowable catch.

•(1545)

There was never any mention of allowing this to become a runaway train, destined to bankrupt this troll fishery in 2019. This fishery needs immediate, serious attention before it is too late.

We have met with senior management: Rebecca Reid, Jeff Grout and Andrew Thomson. Since the meeting, they've shown very little regard for this devastating situation, saying only that this fishery is in the second or third spot in the sports priority policy. That ended in 2004, according to the agreement I read. It got extended along the way somehow, but I'm not sure how.

The Government of Canada is in possession of approximately \$17 million from the 2009 Pacific Salmon Treaty. Area G has been the sole user group that has had in excess of \$40 million of loss over the last 10 years in this treaty. We in area G had been promised that there would be a fair consultation on the use of these funds. We are in doubt that we will ever have a timely and fair solution, and we respectfully ask for the intervention of the standing committee.

With these reduced volumes of fish catches, particularly salmon, the Government of Canada has neglected to allow for much needed dollars for the enhancement of salmon from fish hatcheries, which would help to return the salmon to the plentiful levels of past years.

Predation is also a problem. It has been a serious problem for 20 plus years, with no regard or attention from any level of government. The numbers of these predators have increased by astronomical proportions, while stocks of many fish species have declined drastically. It is time that they act responsibly, before it is too late, and put measures in place to deal with this out-of-balance predation situation. The seal and sea lion numbers are out of balance and out of proportion. They place our fish stocks in grave danger for most of our commercial fisheries.

In closing, I'll say that since 1990, DFO and the Government of Canada have not accomplished any significant improvements in our west coast fishery. We have decreased our returns on sockeye by 50% over the past three Adams River cycles of 2010, 2014 and 2018, which is alarming, and there are no solutions in place from DFO.

I am asking the standing committee to please consider my input on the real-time problems that we are dealing with, and not to allow many of the issues to continue on with political agendas and without serious input from the fishing community.

I'm appreciative that I had this opportunity to voice my points of concern. For that, I say thank you.

**The Chair:** Thank you, Mr. Paquette, for that presentation.

Before I go to the BC Seafood Alliance, I will ask witnesses to keep in mind that we have translation being provided and not to talk too fast. It's a job for them to keep up sometimes, if they don't already have a printed copy of your presentation.

Now of course, as I said, we'll go to the BC Seafood Alliance, for seven minutes or less.

**Ms. Christina Burrige (Executive Director, BC Seafood Alliance):** Thank you very much, Mr. Chairman and committee members, for inviting us here. As you heard, I'm from the B.C. Seafood Alliance. I'm here with one of my members, Chris Sporer from the Pacific Halibut Management Association.

We are the largest commercial fishing organization on the west coast. We represent the owners and operators of commercially licensed vessels ranging from less than 40 feet to over 120 feet.

We're here to provide some context for the west coast fishery, and how very different it is from Atlantic fisheries in geography, history, species and structure.

There's no question that B.C. fishermen are fearful. Much of this has to do with uncertainty over the future, thanks to marine protection, which could put many conservatively managed fisheries out of business; and over how reconciliation will work in fisheries. Without secure access to the resource, fishermen do not see a future for themselves.

While the alliance has no official position, a number of my members are also concerned about social inequities in the fisheries: the sharing of risks and benefits. They believe "made in B.C." solutions through their respective DFO advisory processes need to be developed.

For context, I want first to tackle the myth of the under-performance of west coast fisheries, the argument that our fisheries, unlike Atlantic or Alaskan fisheries, show increasing volume but declining value. Comparing volume and value between regions depends almost entirely on the species mix. Using constant dollars to adjust for inflation, the increase in the value of Atlantic catch is lobster. Take out lobster, and Atlantic Canada is in pretty much the same situation as B.C.

In B.C. we've seen something rather different happen. Harvests of high-value salmon, herring, halibut and sablefish have declined for conservation, reallocation and market reasons, while harvests of low-value species—hake, arrowtooth flounder and pollock—have increased significantly. Careful management has reduced the harvest volume of B.C. groundfish and shellfish to conservative levels, and management changes have significantly increased value in many species.

I have five messages I'd like you to consider.

First, long-standing Atlantic owner-operator and fleet separation policies do not fit in B.C. because of the way our fisheries have evolved, and continue to evolve to ensure conservation and sustainable management.

Second, this evolution is in response to the changing environment: ecosystem understanding, marine planning, reconciliation, markets and social and economic impacts.

Third, before considering changes aimed at addressing the sharing of benefits and risks, the committee needs to understand how B.C. fisheries are managed.

Fourth, barriers to new entrance and intergenerational transfer include the lack of long-term access to the resource, capital and stable income.

Lastly, any new management measures impacting the distribution of fishery benefits and risks need to be developed collaboratively with B.C. commercial fishery participants to ensure that they are not detrimental to conservation and economic stability.

I have a few quick words on the evolution of fisheries management in B.C.

Since the extension of jurisdiction to 200 nautical miles in 1977, fisheries management has evolved differently on the Atlantic and Pacific coasts. Atlantic policy is driven by adjacency, protecting provincial fishery access and maintaining an inshore/midshore fleet of less than 65 feet.

B.C. really is different. It's only one coastal province, so the adjacency principle was never relevant.

For more than a century, processors have provided boats, gear, shoreside services and short-term loans to enable fishermen to go fishing.

Limited entry licencing in 1969 was the first of many efforts to reduce too many boats chasing too few fish, and it inevitably issued too many licences and created value in licences. Since then, these have been fully transferable and available to Canadian citizens and companies.

Most, but not all, limited entry licences are vessel-based, rather than party-based as in Atlantic Canada. Multiple ownership of a vessel is common and often means multiple ownership of the associated licences and quota allocations. So, licence owners are more diverse than they might appear. There are many different fisheries in B.C., and dozens, or maybe hundreds, of different ownership arrangements.

● (1550)

Generally, far too many commercial licences were issued for a well-managed, viable fishery. According to Peter Pearse in 1982, for the roe herring fishery, the "Department's goal was to issue 150 seine and 450 gillnet licences". In fact, 252 seine licences and over 1,300 gillnet licences were issued, "far in excess of the capacity required to harvest the available catch."

This excess capacity was incompatible with conservation objectives. That's weak stock management, sustainable harvest levels, accurate accounting for the catch. It was also incompatible with economic viability and it compromised fishing safety.

Fisheries therefore started adopting new management measures, such as at-sea and shoreside monitoring, IVQs, quota transferability, area licencing, and licence and gear stacking, as a means to rationalize that excess capacity, provide economic benefits and improve safety for the remaining operators while meeting conservation goals.

The example of the commercial groundfish integrated program integrates the management of 66 different fish stocks, seven limited-entry licensed fisheries and three gear types. It requires full accountability for every fish caught, retained or discarded and 100% at-sea monitoring and dockside monitoring. The David Suzuki Foundation considers it to be among the best-managed fisheries on the planet. It could not operate without quota transferability—leasing—within and between the fleets.

My last message is that we cannot go backwards on conservation. B.C. fishermen need to find their own solutions, not have one imposed from the top down, because that won't work.

Thank you.

•(1555)

**The Chair:** Thank you. You're right on time.

Next we'll go to the Grand Hale Marine Products Company Limited, Mr. Nishidate.

**Mr. John Nishidate (General Manager, Grand Hale Marine Products Co., Ltd):** Thank you.

Grand Hale Marine is a small-to-medium sized family-owned and -operated seafood processing and export company located in Richmond, B.C. It was founded by immigrants from Hong Kong. Starting with nothing in the early 1990s, we quickly became known for our quality sea urchin harvested from B.C. and exported to Japan for the sushi market. From there, we expanded to process other products such as salmon, spot prawns, sea cucumbers, herring roe and salmon caviar—mostly for the Japanese and Asian markets, but we also expanded into new markets in Europe.

Now we have three processing buildings, two located in Richmond and one in Port Edward, B.C., near Prince Rupert. That one's for sale. They're all self-funded.

We employ up to 180 people per year—or we used to—many of whom were first nations. We buy fish from independent B.C. fishermen up and down the coast in small coastal communities and follow the fish and seasons.

For sea urchin, it was a free-for-all fishery with about 110 licences. Just before voluntarily becoming a quota fishery, catch was basically doubling year over year to about 23 million pounds, which was totally unsustainable. The boom-and-bust catch caused all sorts of problems. Oversupply dropped prices. Processing was a nightmare, trying to process it before it went bad, and the quality of the harvest from some divers was a problem.

Now we have a total allowable catch of 10 million pounds, but only about 30 active vessels, plus or minus. The IVQ system weeded out harvesters who cared more about quantity than quality. It also controlled the supply to accommodate the market and made it more sustainable. Fishermen get paid for quality, and we pay more for it.

Remoteness of fishing areas, weather, size of vessels and limited daily harvests are all limiting factors. Also, the age of divers and workers and limited recruitment into the industry are some of our biggest challenges. For the most part, we have divers and boats that have fished for us for 20-plus years. They are a very important part of our business. It's long-term thinking and relationship building that make for a strong industry.

Grand Hale owns and also leases licences. We own vessels, but everybody can tell you that a boat is just a hole in the water that you pour money into. Some of our divers own licences and operate vessels, but some don't own licences, just the vessels. In those cases, we designate our licences to their vessels. Sometimes we charge a lease fee and sometimes we charge zero. If we lease it out to the

diver, it's 1¢ a pound; it's basically a zero lease. We also pay for the DFO licence fee, which takes up about half of that lease.

We fund in advance to help our fishermen get started, to gear up for the season. We prepay the validation and catch monitoring fees. All of our loans to our fishermen are interest-free. We have also financed fishermen to get their own licences when the banks would not.

Since the volume of available TAC has been reduced in most fisheries—for example salmon—for various reasons, mostly conservation, a boat needs to do a few licences in a season to make the operation work, or it does other species or other businesses in the off-season.

Operations and licences have been passed down in some families from father to son or kept in estates. Whether the licence was obtained before quota or after, the right to realize the value of the licence must be maintained, just as with a farmer in the supply management system. They buy in, produce and pass it on to their descendants or sell out. Fishermen 55 or younger in the industry do have an opportunity to work, make a living, own vessels and own licences. As in all industries, it does take effort, sacrifice and hard work to continue, and choosing the right partner is important.

For sure, this is not an industry of instant gratification. Part of the reason that Grand Hale holds licences is to secure supply and provide orderly processing and marketing to supply our customers' demands and achieve the highest product quality. We provide the quota to fishermen we trust to harvest quality and they voluntarily accept our quota.

We pay competitive, fair prices to our fishermen, otherwise they would not fish for us and our quota would not be fished. Capital to finance and build an urchin operation is not easy to find, and the banks are not willing to lend on licence or quota because of the risk that the government will take it away without compensation.

•(1600)

I would watch out for unintended consequences. Some of the largest licence-holders and quota holders are first nations people and some are first nations bands. Some of our first nations fishers lease salmon licences from their bands or from other first nations, and we advance those funds to them to do so. Many first nations communities have lost their infrastructure, people, skills and knowledge to conduct fishing.

In our view, PICFI didn't really help the situation because they changed the rules. Basically, there was a willing buyer, and they raised prices, especially around fiscal year-end. They did not buy vessels to match. Many first nations just lease back to commercial fleets at higher rates, undermining the intention of PICFI: getting first nations into the industry and employment.

PICFI also took licences out of the commercial sector and gave them to first nations free of charge, and did not replace the lost revenue to DFO, so DFO has less funding. Then, shortfalls and program funding were forced on industry if we wanted to have a fishery opened. This just increased the cost of doing business.

Why not make a PICFI-like grant or loan program for all young Canadians who want to fish for a living?

For shared benefits our answer is, basically: find a better boss. We have a boat working for us whose diver was on a competitive vessel. He didn't like the situation there, so he went out, bought a vessel and gear, and now he fishes for us and he gets better prices.

Thank you very much.

**The Chair:** Thank you, sir.

Now we'll go to the Sport Fishing Institute of British Columbia—of course, no stranger to the committee; they've been here before—for seven minutes or less, whether you're doing it all or sharing it.

**Mr. Owen Bird (Executive Director, Sport Fishing Institute of British Columbia):** I will hand it off to Martin, but I'll begin.

Hello, and thank you for the opportunity to appear before this committee once again.

My name is Owen Bird and my colleague is Martin Paish. We're here to talk about the study of the regulation of the west coast fisheries, and we both represent the Sport Fishing Institute of British Columbia, or the SFI.

I'll take a moment to provide details about our organization and about the values of sport fishery in British Columbia and our continued interest in seeing the sector provided with appropriate resources to be effectively managed and to maximize opportunities. Martin will detail our concerns and specific experiences with quota.

The SFI is a non-profit association that represents the interests of 300,000 licensed tidal water anglers in B.C. and the hundreds of businesses that support them. According to the 2016 provincial sector report, sport fishing and related businesses produce \$1.1 billion in annual sales and create more than 9,000 jobs and 3,950 person-years of employment, resulting in a \$398-million contribution to the province's GDP.

Sport fishery is the single largest economic driver of all B.C. fisheries, even though anglers take only 15% of the annual halibut catch and less than 10% of the annual salmon harvest. As of 2010, the last update to the Fisheries and Oceans national recreational fishing survey—a survey that has been conducted every five years since 1975—said the sport fishing contribution to the Canadian economy was \$8.3 billion annually. Yet efforts by the department to entrench reliable opportunity for the recreational sector—a very different requirement than for purely harvest-based fisheries—have been minimal.

It has long appeared that the ability to meet the unique needs of the recreational sector are affected by the predisposition of the department to focus on the management of commercial fisheries. While it is acknowledged that the largest harvester should receive the greatest attention, we believe it is also reasonable that the fishery that produces a significantly higher value per fish, is responsible for only an estimated 4% of all fish harvested in Canada and touches the lives socially and economically of millions of Canadians would receive an appropriate level of dedicated resources to manage it to best advantage.

In recognition of the different needs of the sector—reliability and opportunity—it would be reasonable to consider fishing plans with those needs in mind. However, what we've seen over many years and by governments previous to this one is diminished funding and attention to the recreational sector. As an example, while national policy and fisheries management directives explain that catch monitoring is critical to sound management, the funds made available for those purposes for the recreational sector have been continually eroded.

However, we continue to be optimistic that the recreational vision—a co-operatively developed proposal to provide appropriate funding to the management of recreational fisheries and to recognize the values and unique needs of the sector—will be adopted and implemented.

● (1605)

**Mr. Martin Paish (Director, Business Development, Sport Fishing Institute of British Columbia):** Hello.

The recreational fishery experience with quotas and owner-operator issues has been limited, to this time, to priority access discussions specifically with regard to chinook and coho salmon and to the halibut fishery, its quota-based allocation policy, and the XRQ licence. It's with halibut where first-hand experience with quota provides an opportunity to comment and offers an example of how ill-suited the recreational sector is to quota-based scenarios and to establishing access through quota acquisition.

The recreational sector is dependent on reliable opportunity. While it's understood that quota is an effective and likely necessary tool for managing commercial fisheries, it is, in the case of the recreational sector, a limiting and unnecessarily divisive factor. The halibut quotas established in 2003 and 2012 did not fully recognize the needs of the recreational sector, and, as halibut biomass is lowered, the percentage-based access has significantly compromised the ability of the sector to generate maximum benefit from the resource by eroding reliable opportunity and increasing uncertainty and instability.

The halibut licence experimental licence pilot program, or XRQ, is a by-product of an attempt to integrate recreational fisheries into a quota system. DFO's insistence that it could establish a successful market-based transfer mechanism through the temporary leasing of commercial quota to recreational anglers has been, by any measure, a failure. The program is struggling, both because it reinforces the notion that the opportunity to catch a halibut is a private property right that can be bought and sold and because it mixes commercial and sport-caught fish in a way that creates conflict, confusion and discord.

Since its inception, the program has seen minimal use—in fact, only two-tenths of 1% of the Canadian TAC in 2018—not because there is no desire for more access but because there is a general understanding amongst anglers that the program is misguided and problematic on many levels. The level of accountability for the catch and use of the XRQ quota is limited to the point of being inappropriate. Loopholes for abuse abound.

The cost to the department to administer and enforce the program, particularly during periods of reduced DFO resources, has been of great interest to the SFAB, and yet requests to know what has been invested in this program and what the returns on these efforts are have not been satisfied. To explain further, the XRQ licence allows anglers who can afford to lease commercial quota to fish when the season is otherwise closed and to exceed established bag and size limits, which, to a fault, contradicts both the spirit and intent of the B.C. sport fishing regulations.

The XRQ licence does not provide additional opportunities for the recreational sector as intended. Rather, it establishes a two-tiered system that provides extra fish to wealthy individuals or opportunists. How is it appropriate that a common property resource is controlled by a small group of speculators who also have the right to lease it back to Canadians, so that they can catch more than the legal bag limit and fish outside the normal season, when those who can't afford the quota and are likely fishing for food are restricted by slot limits and closed? It is totally unfair and represents a perversion of what a public fishery based on a common property resource should rightly be. It is our strong position that the XRQ licence is an experiment that needs to end.

The two fisheries have different needs. The commercial sector needs a volume of landed fish to sell over a season. The allocation available helps to set the price commercial fishermen can charge for their catch. The recreational fishery needs an ability and opportunity to catch halibut during a predictable season that allows for planning and related spending for visiting and local anglers and the businesses that provide fishery-related goods and services to them. For the recreational fishery, the balance between certainty, stability and

access to a reasonable season length is what drives its value to Canadians. When access is diminished by shortened seasons due to a lack of quota, the small coastal communities feel the pinch in a very real sense.

It is our position that the current halibut allocation policy shows a lack of appreciation and understanding of the unique needs of our sector. Instead, it seems that the solution was provided from a purely commercial context. We believe that increasing the amount of quota allocated to the recreational fishery will allow it to optimize its significant social and economic value to Canadians. These benefits are typically felt in small coastal communities adjacent to the fishery. Unfortunately, there is no simple solution. We acknowledge that the investment and needs of active commercial fishermen need to be recognized and addressed.

Finally, our sector recognizes that halibut is but one fishery. It is a concern that what has happened with halibut may have implications for other species in the future.

Thank you for taking the time to listen to us. We would welcome additional attention to the recreational fishery, not only to maximize its value to Canada but also so that the department may better understand that quota-based management is a shoe that does not fit, in our case.

• (1610)

**The Chair:** Thank you for that.

Our last presenter for the day is Mr. Cook—a fisherman, I believe.

I realize that your invitation was a bit late and that you didn't have a lot of time to prepare, but you have up to seven minutes. Take all of that time that you need, sir.

**Chief Christopher Cook Jr. (Fisher, Nimpkish Tribe, Kwakwaka'wakw Nation, As an Individual):** [*Witness spoke in Kwakwaka'wakw*]

[*English*]

I'm a first nations fisher from Alert Bay. I was born December 25, 1942 and I've been fishing as a commercial fisherman since I was 13 years old.

What I have here today and what I am about to do is to share with you from my heart. Do you see any papers sitting here? No, because it's going to come from here. I'm one of the registered chiefs from my tribal group and I was asked by our chiefs, "Have you ever seen a chief in the big house talk from a paper?" Because when it comes from the paper it comes from the paper, but when a chief or a person speaks from the heart, people will understand him.

I asked my chief—because I was strapped when I was a kid for speaking my language when I was five years old and going to school. I can't speak my language fluently, and I told my uncle and he said, “[*Witness spoke in Kwakwaka*], nobody will ever speak for you again.”

I said, “I can only speak English”, and he said, “If you speak from the heart, everybody will understand you.”

When I started fishing on the seine, you could walk on the fish. I, my father and my grandfather had the right, as first nations fishermen, to get up each morning and go anywhere to fish.

One thing I'd like to state for the record is that in 1922 my grandmother was with Allied Tribes and was in Ottawa speaking for the rights of first nations. Here I am, almost 100 years later, and I'm the president of the Native Brotherhood. If in 1922 I were doing what I am doing now, I would've been in jail, because we weren't allowed to speak in public about politics.

Here I am, I'm speaking here. The president of the Native Brotherhood said, “We will knock at the doors and knock at the doors, and one day our children will walk through the doors of government.”

Brothers and sisters, that door is open for me today and I thank all of you here for listening to me, because when I was asked to come here, I was wondering what I could do. If I can't go to the top...I've been speaking to the bottom. I'm on the herring advisory committee. I'm on the salmon advisory committee. I've been on all of these different boards, and one of the things I've seen is how the Mifflin plan came into effect, and they bought boats and they bought licences, and you know what? From the Alaskan border to the mouth of the Fraser River, they bought boats and they bought boats and they bought boats, and they called it a volunteer program. The brother here and another brother said that we talk about the companies but I've never heard anybody talk about first nations. The boats that the Canadian Fishing Company sold are all up in Alaska, and the majority of those skippers who were running their boats were first nations. They sold the jobs of the first nations people from Alaska to the Fraser River.

Our people were wiped out as if Mifflin and the Government of Canada dropped a bomb on the coastal first nations people. You bought those licences, and if a man didn't sell his licence, the company would have taken it or the bank would have taken it.

You heard the man say that we helped some of our fishermen buy a boat, but if you buy a boat for somebody, who are you going to own? You're going to own them, and that's what the company has done for us. They gave the money to us; we bought boats, and then they took them back. The majority of the same fleet is owned by the Canadian Fishing Company, Earling and a guy called Rifleman, who made all of his money in gold.

• (1615)

From one end of the coast to the other, we had 40 seine boats in my band. Do you know how many we have today? One.

As the president of the Native Brotherhood, I went to the Queen Charlotte Islands, what is called Haida Gwaii. As the president, I wanted to make the same trip that Alfred Adams made in 1930. I

went to the Queen Charlotte Islands, I went to Prince Rupert, I went to Kitkatla and all the tribal villages all the way down to the Fraser River after Mifflin.

I feel like crying now, because when I talked to the kids.... I asked a roomful of people in Skidegate in the Queen Charlotte Islands, “Would any of you like to fish?” The kids, 14 and 15 years old, held their hands up, and they said, “I'll never be able to fish because my father sold my right to fish. He sold the boat.”

Those first nations fishermen who sold their licences sold the whole line of their family. Do you know what that is to do that? And look today. When Mifflin bought the buyback, I heard all these people say, “Oh, you Indians are doing good, we're going to do this”. Do you know that when Canadian Fishing and the BC Packers sold them licences—they bought them—sold their boats, BC Packers, the biggest company.... We had skippers who were running the boats cutting grass to try to make money to live in my community up and down the coast. They said, “We're going to help you rebuild your tribe”. No, brothers and sisters, they didn't. They haven't built that.

And you know what? When you drop that bomb on the coastal people or the first nations people, not only first nations but the other non-first nations.... Nobody has come and taken a look at what you did, the devastation of the Mifflin plan. Nobody has come to take a look. And my tears, my pain, and I'm sharing this....

I thank you for the opportunity, brothers and sisters, to be here because my people are dying from one end of the coast to the other. Drugs and alcohol are rampant in every little village. Does anybody care? I hope that I can give you my vision and my heart to be able to see where our people are. I'm talking about all the tribal groups.

You heard the brother from Canadian Fishing talking about the canneries. Well, those canneries were a majority of first nations people. All the way up and down the coast, the canneries were sold. Packers were sold. Seine boats were sold. And you know what? Here we have an organization with first nations and non-first nations. When we went to the companies, like the Canadian Fishing Company and other companies that run this.... The lady here who runs the organizations, we go to them.

You know, today I go out fishing and I don't even know what my price is going to be with the Canadian Fishing Company. “We'll pay you 30¢ for pink salmon.” Because you know in the past years we had the UFAWU, the United Fishermen and Allied Workers' Union and the Native Brotherhood.... I hope I'm not speaking too long. You can cut me off if you want, but I've been all my life with that. We had organizations that fought for prices for us before you went out. Now we don't have that.

I sat in a meeting with a man called Rob Morley, from Canadian Fishing at the Native Brotherhood convention. He said, “We’re going to pay you as little as we can.” And we got a letter from the Canadian Fishing Company that said, “We’ll no longer pay your welfare fund”. Who have we got to go to, our people? Nobody. We have nobody to represent us. I would love to have somebody from your group to come up and down and the coast and see the decision the Government of Canada made. They were talking treaty. “Buy licences for the PICFI. It’s going to help you Indians.” It hasn’t helped us much. We have one seine boat that fishes in Johnstone Strait. You know what? It’s only a one-day fishery.

● (1620)

We’ll give you 20 gillnetters, a one-day fishery for the year and two days on the chums. How is that?

You tell me that you are looking after us first nations. I put my hand out to you. What can you do? I’m asking you to help us. Quotas haven’t helped us. These companies might tell you that. Quotas haven’t helped you. When they told me last week, we’re going to have fewer herring boats go out, we don’t need all of it. On the quota fishery our people, the first nations, are the victims of change. Seventy-per cent of Canadian fishers are first nations. How much of the fleet’s going to be wiped out when everything goes?

Brothers and sisters, I ask you today to send somebody out to help us as a coastal people, not only first nations, but the coastal people. You are never going to bring it back. Please.

You know there was no benchmark. Mifflin came. They just came in and bought. They didn’t care about how many villages and municipalities they wiped out. There wasn’t an, “Okay, we’re going to stop here. Alert Bay needs 10 boats. We’re going to go there.” You know what? We give our own people licences but they’ve got to pay the money to use those licences. They get 50% of 50%.

I thank you today. I ask you from the bottom of my heart, and from my people of the first nations, help us. Please help us. That’s all I can say.

[*Witness spoke in Kwakwaka*]

**The Chair:** Thank you, Mr. Cook.

Hopefully anything you didn’t get to say in your presentation will come out in the rounds of questioning.

**Chief Chris Cook:** I hope I didn’t speak too fast or...

**The Chair:** It was a little big long, but that’s fine. It was interesting knowledge to know.

Before I go to the questioning, I would like to welcome MP Colin Carrie from Oshawa.

Welcome to the committee, sir. It’s good to see you. Hopefully, we’ll hear something from you in the rounds of questioning coming forward.

We’ll start now with the government side. For seven minutes or less, Mr. Hardie.

**Mr. Ken Hardie (Fleetwood—Port Kells, Lib.):** Thank you, Mr. Chair, and thank you, everybody, for being here.

Who here helps a fisher looking for quota to find quota? Put your hand up.

John is the only one who’ll admit it.

John, if somebody comes to you looking for quota, how do you know where the quota is or who owns it?

**Mr. John Nishidate:** That is a good question.

Sea urchin is a small industry compared to the other ones. There is a registry, I guess. You can try to look online with DFO. It’s really difficult, so if there was a registry it would help in those cases.

**Mr. Ken Hardie:** Okay.

**Mr. John Nishidate:** Usually it’s word of mouth. We do lease quotas from some of the bands up and down the coast, central coast and Vancouver Island—

**Mr. Ken Hardie:** You connect the band wanting to lease their quota to a fisher.

**Mr. John Nishidate:** Typically it’s more the fisher finds it and then we give them the money to go and lease it or they lease it themselves.

**Mr. Ken Hardie:** That, of course, will lock the fisher to you to sell the...[*Inaudible-Editor*]

**Mr. John Nishidate:** Correct.

In most cases we don’t require them to fish for us. It’s really up to them who they want to fish for. If we don’t pay what they think they’re worth, they may move. That’s fine.

● (1625)

**Mr. Ken Hardie:** Ms. Burr ridge, none of your members help fishers get quota?

**Ms. Christina Burr ridge:** I’m sure they do, but I don’t. That’s not part of my job.

**Mr. Ken Hardie:** You’re a spokesperson. Yes, I get that part.

**Ms. Christina Burr ridge:** There are brokers who help. Everyone talks to everyone, particularly in integrated groundfish. I think there’s a very decent sense of what’s available and what it costs.

Chris, did you want to fill in on that?

**Mr. Chris Sporer (Executive Manager, Pacific Halibut Management Association, BC Seafood Alliance):** I think on groundfish integration there are some fishermen who are trading among themselves. Some fishermen have set up their own groups to trade, so there is lots of word of mouth within the industry.

**Mr. Ken Hardie:** Then how is it that quota owners are demanding 70% or 80% of the value? If there was true competition among the quota owners wanting to rent out their quota, you would think that would get bargained down. Why is that not the case?

**Mr. Chris Sporer:** I think that in terms of the quota holders bargaining down, it's basically two parties going into a transaction. People have different expectations on prices.

One thing I would note is there has been recognition in the industry that things have reached an imbalance. I know for our fishery we have discussed it. We've taken it to our advisory body and we've set up a process to start looking at how those benefits are being shared in the industry.

**Mr. Ken Hardie:** I'd be interested, subsequent to these hearings, if you could provide us with any further background on the things you're thinking about because that may help inform us as we come up with recommendations.

**Ms. Christina Burrridge:** Definitely. I think you'll probably hear more of those ideas, perhaps tomorrow, but a number of fisheries are looking quite hard at the kinds of arrangements that are in place, which are very varied. Some certainly seem unfair. I've seen others that look very straightforward and are clearly mutually beneficial.

The problem is—

**Mr. Ken Hardie:** Ms. Burrridge, if I could, I have lots of questions and little time here.

You mentioned something that has also been part of our offline discussions in the meetings that we've had prior to this, and that is the sharing of risks and benefits. It would appear that the person with the least risk is the quota owner and the person with the most risk is the man or woman fishing out on the water. They have all the risk, both on price and on the physical activity of catching the fish, whereas the quota owner is sitting back and sopping it up.

**Ms. Christina Burrridge:** I don't think that's entirely true, but clearly there is a risk from being a fisherman. It's a dangerous occupation—

**Mr. Ken Hardie:** All right. And there's no risk for the guy who's getting 70% of the value—

**Ms. Christina Burrridge:** There's no question of that. But there's also risk in providing the capital that the operator needs. Lease values go up and down.

**Mr. Ken Hardie:** Yes, but the quota owner's not providing the capital. Maybe some of the processors are.

Phil, I'll direct this to you. Canfisco, as you say, is often singled out because it is a really big player. What is the arrangement that you have? Do you have a lot of co-owned boats and licences fishing for Canfisco?

**Mr. Phil Young:** Yes, we do. In a year like this for salmon, we had 46 boats fishing for us. Nineteen were 100% independent. They could go anywhere they wanted. We had 13 joint venture boats. Pretty well all of them were fifty-fifty boats; I think there was one that was less. And we had 14 company boats. So, yes, we have a diverse fleet.

**Mr. Ken Hardie:** Canfisco is a good example of an organization that is a dominant player in the market. Is there any economic

analysis that gets to the point that once somebody reaches a certain scale...? At what point do you become the price setters in terms of what the fishers get at the dock?

**Mr. Phil Young:** We're not even close to the price setter. You just have to look. We compete directly against Alaska. In the last four years, with B.C.'s share of Alaska salmon—this is just salmon—we've been at 2%, 6%, 1% and 4%. That's the amount of fish that we land versus Alaska, so they're setting the price. It doesn't matter how you shake it; they are setting the price. We are price followers.

What we've always done is sell as much as we can of our salmon fresh because that's the highest value market.

• (1630)

**Mr. Ken Hardie:** What's the spread between what you're paying at the dockside to the fisher and what you're getting for this processed fish that's hitting the white linen somewhere?

**Mr. Phil Young:** There isn't one easy answer for that. It changes dramatically. First of all, if we're doing filets, we're only getting 40% of the usable quantity out of the fish. If we take that down and start thinking of what we actually sell versus that, we could be paying \$2.20 to a fisherman and selling it for anywhere in the \$3.20 to \$3.60 range. But every pound of number two fish you get comes off that, so 5% of number two drops it dramatically. That's why it matters. Chum fisheries... we get the roe. That adds a good portion to it. It's not a set formula.

**The Chair:** Thank you.

We will now go to the Conservative side for seven minutes or less.

Mr. Arnold.

**Mr. Mel Arnold (North Okanagan—Shuswap, CPC):** Thank you, Mr. Chair, and thanks to all of you for being here today.

I'd like to take a minute to recognize the passing of our Auditor General, Michael Ferguson. His department has offered some good assessments of this department in the past. We'll miss his input.

A few things have come up, both in our first meeting and again today. One word that twigs my attention is "overcapacity". I have to ask why. Can I get one of you from each sector to describe the key things that have resulted in overcapacity?

Phil, would you like to start?

**Mr. Phil Young:** Sure. I think that initially, as soon as you went to limited licensing, there were too many people asking for those licences. You heard Ms. Burrridge talk about it. They just issued too many licences right off the bat. Also, then, we've seen conservation measures put in place that reduced our harvest. When you start reducing the harvest, you end up with overcapacity.

I understand that it's a tough thing for everybody to look at, but it has happened, and we rationalized on the west coast. Governments made us do it to ourselves. We ate our young.

**Mr. Mel Arnold:** Could I ask each of you to put it into two or three key words, into bullet points? Is it declining stock, over-subscription or efficiencies in the fleet? Have I named all of them?

**Ms. Christina Burridge:** It's politics, Mel.

**Mr. Mel Arnold:** Pardon me?

**Ms. Christina Burridge:** It's politics, Mr. Arnold.

**Voices:** Oh, oh!

**Ms. Christina Burridge:** You have people asking for licences who have found that they did have history in the fishery. The department is in a difficult situation. It doesn't want to say no, so it issues too many licences and then generally expects that the industry will self-rationalize, particularly as catches go down.

**Mr. Mel Arnold:** Okay. You said, "as catches go down".

Is anybody under the impression that declining stocks are part of the problem?

**Ms. Christina Burridge:** I wouldn't say that it's entirely declining stocks. I would say that it is a more conservative approach to how we fish. If I take salmon as an example, we used to fish at an 80% across-the-board harvest rate, as Alaska still does. We now fish at less than half that harvest rate—around 30% to 40%—because we have elected to protect weak stocks. When you do that, you change the fundamental nature of the fishery.

**Mr. Mel Arnold:** Okay. Thank you.

The other thing that came up is the decreasing value of the catch. Can you describe a little more how that has come about?

**Ms. Christina Burridge:** I'll have a go at that.

If the volumes of salmon harvests have declined by 66% over the last 25 years, the value has actually declined by 78%. That is because of the rise of the global business of farmed salmon. Back 25 years ago or a little more, B.C. accounted for 12% of world salmon supply, wild and farmed. We are now at less than half of 1%, so we're operating in a quite different world.

If you look at roe herring, the value has declined even more sharply—by some 80%—and that is because in the late 1980s and early 1990s, with the bubble economy in Japan, people paid ludicrously high prices for herring roe, and now they don't. If you look, say, at groundfish—

• (1635)

**Mr. Mel Arnold:** Could I move on to someone else in the recreational sector?

**Mr. Martin Paish:** From a recreational fishery perspective, the value of our fishery continues to grow. We are simply constrained by our access to quota. It's as simple as that.

We operate an extremely valuable fishery that has impacts on coastal communities up and down the coast of B.C. We do operate out of the small coastal communities, yet we are constrained to 15% of the total quota. It's as simple as that.

From a capacity perspective, we manage that through the use of slot limits and the use of season length and that type of stuff, all of which put constraints on the fishery. An example would be our competitiveness with other jurisdictions.

**Mr. Mel Arnold:** Mr. Sporer.

**Mr. Chris Sporer:** If I could just add to that from the groundfish perspective, in the halibut fishery, for instance, even though the quota is probably less than half of what it was 10 to 15 years ago, we're able to get more value out for higher prices.

**Mr. Mel Arnold:** Okay. It's not every species that is decreasing in value. It varies. Thank you.

Someone mentioned the word "competitiveness". That was one of the words that I had written down. What is required from each of the sectors in order to be competitive? Are world pricing and the world market affecting the pricing on all sectors? Are we competing at that level? Or is it within local communities or nationally?

Mr. Cook.

**Chief Chris Cook:** Were you talking about the prices for salmon, for instance, or the prices in the market? I've been fishing all these years. Forty years ago, I was getting 30¢ for pinks. I'm getting 30¢ for pinks 40 years later. I have no control over what I'm going to get paid because I'm sitting here and talking. I don't know if I can say this, but with the sport for us as first nations, they got a million pounds of halibut. We first nations got nothing.

**Mr. Mel Arnold:** Okay.

Mr. Paquette, did you have a comment you wanted to add?

**Mr. Roger Paquette:** In our world of gillnetters, trollers and sanders, we do very good quality control and we've been able to increase our prices in the world market. Over the last 10 years, there's less volume, so we handle the product with extreme care. We upsell our products in the market. We've done well with that. Volumes are lower, but the prices are higher. So I think we've taken it to a higher level with the volumes of all the species we do.

**Mr. Mel Arnold:** Thank you.

**The Chair:** We'll go now to the NDP.

Mr. Donnelly, you have seven minutes or less, please.

**Mr. Fin Donnelly (Port Moody—Coquitlam, NDP):** Thank you, Mr. Chair.

Thank you to all our witnesses for being here and providing your testimony on this important study.

I wanted to give a bit of an overview. I think everyone is familiar that the committee is doing a study on the west coast fisheries license system, and then the recommendations from the report will go forward to the government. The government will then have to choose whether or not they implement any or all of the recommendations. I also have to inform you, but I'm sure you know, this is an election year, so the government has only a few months to implement these recommendations.

If I were to summarize what I've heard today from the presentations at this committee session, it's complicated. We've developed a very complicated system. It doesn't seem to be working, and we're hearing from different sectors, from different fish harvesters and representatives, that it's not representing the needs of the future.

Last week when we had DFO officials here, I asked about their vision, based on some of these problems and how complicated it is going forward. I want to start there, with Canfishco because Canfishco is a significant player in the British Columbia economy. There's no question about that.

I'm wondering, Mr. Young, if you could start. Given that it is complicated, that things are changing and your comments about the nature of a couple of decades of change, does your company have a vision of the way forward in being competitive? What will work for you and your company?

• (1640)

**Mr. Phil Young:** I did talk about a few of the things. One of the things we try to do is sell our salmon fresh. We have one of the largest smokers in Canada right now in our Delta plant. We fill that with U.S. fish. So we sell our high-priced Canadian fish, buy on the world market and smoke U.S. fish in that plant. We can still employ the people, do the things, keep that plant running, but it's done with raw material from outside because we want to make the most we can, pay our fishermen the most we can.

We continue to look at groundfish as a sustainability issue. We do have a very strong fishery. It's very sustainable. As mentioned, the David Suzuki Foundation likes it. But we don't have marine stewardship council for that fishery, and the U.S. northwest does. And that needs some stock assessment work. We're sure we can get it if we can do that stock assessment.

We do need some help from government to do some of those things. And I will concede a changing social aspect. I don't have the answer for that. I look at what we put out. Up in Prince Rupert we spend about \$300,000 to \$400,000 before a plant ever puts a fish through it. Just getting the boilers, the WorkSafe, the Ministry of Environment, doing all our permitting, getting everything ready. And that's before we put a fish through there. It's very costly now to have a good, secure food source for Canadians and around the world. It has meant plants are consolidating in the Lower Mainland.

**Mr. Fin Donnelly:** There are two points I want to touch on that you've talked about. You mentioned sustainable harvest levels. Let's talk about salmon and herring. You painted a picture for the committee that over the past couple of decades, harvest levels have dramatically decreased.

In terms of the ITQ system, the Mifflin plan that came in, you probably would agree there's been an efficiency of effort. Is this working for fish harvesters?

We heard from Mr. Cook how it's not working for many of his members in the brotherhood, for first nations and for coastal communities. You mentioned social licence. That's a difficult thing.

How are we going to look at the distribution of wealth and equity in a shrinking harvest?

**Mr. Phil Young:** On salmon, we did a report a couple of weeks ago. Over the last four-year cycle, 80% of the salmon in B.C. was caught in competitive fisheries. Only 20% was ITQ fisheries. There are still boats sticking around for those 80% of the fisheries. Are they making money? The answer is no, with the amounts they're putting in. That's why you're seeing fewer boats. Guys cannot make it work. If you can't put a couple of hundred thousand dollars into your boat—and Mr. Cook will tell you—you can't keep your boat afloat, serviced and ready to go. Lack of fish is making a big difference to us on that side.

Herring is different. It's very well managed. The industry has very rarely said anything about the lowered harvest on that side. We have a few instances where we could be harvesting and we're not due to other constraints. For the most part, it's very well managed. We live by the science and if the science tells us we can't fish, we don't fish.

**Mr. Fin Donnelly:** Turning to the Sport Fishing Institute, could either Mr. Bird or Mr. Paish talk about your vision going forward? You painted a pretty strong picture about the ITQ system not working for the rec and sport fishers.

What's the vision you'd like to see or the recommendations you'd like to put forward to this committee?

• (1645)

**Mr. Owen Bird:** I'd like to add a little bit of context with regard to the values of the recreational fishery. They are not solely based on harvest, and require reliability and opportunity. That's the driving force behind looking at a vision for the future of recreational fisheries. Harvest is important, but reliability and opportunity are equally important. Access is key.

The simple answer for a vision moving forward would be to eliminate the XRQ. It's confusing and confounding to the recreational fishery and the public access to a public property resource, and to maintain priority access to chinook and coho, thereby allowing that all-important reliability and opportunity.

**The Chair:** Thank you.

Mr. Rogers, for seven minutes.

**Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.):** Thank you, Mr. Chair. Welcome, guests. It's been an interesting exchange. Some very valuable information has been shared here today from different perspectives.

Mr. Paquette, you talked about unfair lease arrangements for fishers and unfair lease fees. You mentioned that quota licence-holders had done well at the expense of the fishers, and that there was unfair sharing of the resource to harvesters. You made all of these comments during your presentation. I'd like you to share with us, if you can, what you think may be the two or three most important things that could be done to correct the situation you described?

**Mr. Roger Paquette:** Let's say, for example, on the west coast or somewhere, there are 114 vessels and there are 60 vessels that are fishing. That's an overall quota. It's a free-enterprise fishery, so for the number of vessels that go fishing, they catch what they catch and that's what they get. You take an area in area F, which is in the northern troll fishery, and I'm not sure how many vessels we have up there, or licences. Let's say it's 150 or 200, and you have 90 or 100 active boats. The other 90 or 100 boats that are not fishing have their licence, so they lease out the quota. So those fishermen, who used to just be free-enterprise fishermen who would just fish, wouldn't have to go and pay extra money to go fishing.

As we have different dynamics in our fishery—people are getting older, some people don't want to fish, some people want to fish harder—those people are able to lease out their licences. In some years, it's kind of a.... I'm going to use the word “blackmail”, but it's a gun to the head for the guy who needs the quota. If the fishing's good, and he's used up his quota, now he needs more quota to fish. The other guy who's holding the quota says, “Well, I think maybe the price should be this.” So some years it's gone very high and then the market changes. After the guy has paid the extra money that's higher than he wanted, then the market changes. We've had that in prawns, for example; after the individual has put out the money for the quota, the market shifts. So then the fishermen get hurt. They lose money. Three years ago or so, a lot of the fishermen did not make expenses and they lost money. If the fish plants put the money out, the fish plants are out money, but so are the fishermen. There's a debt.

So, I don't really agree with the IVQs so much in a lot of the fisheries. Take halibut. It's been one of the worst-case scenarios. In 2017, guys were paying \$8 a pound for the quota. Halfway or three-quarters of the way through the season, the price was down to \$8 a pound for the fish. You're looking at a couple of dollars a pound loss.

**Mr. Churence Rogers:** Yes.

**Mr. Roger Paquette:** Those kinds of things are just a gun to the head.

**Mr. Churence Rogers:** I want to ask another question here, and not for any particular presenter.

On January 30, 2019, Fisheries and Oceans officials indicated to the committee that the department's management regime was designed to achieve five objectives: conservation of stocks, compliance with legal obligations, stability and economic viability of the fishing enterprises, equitable distribution of benefits, and data collection for enforcement and planning.

In your view, have these objectives been achieved in B.C.? What changes to the current fisheries management regime would be required to fulfill all of these objectives?

Christina, maybe you could start.

• (1650)

**Ms. Christina Burridge:** I think they've been achieved in part. I think we've been enormously successful on the conservation front. We have taken the hard decisions; we've ratcheted down catches. What we've not taken into account was social and economic factors, and now is the time that we need to do this. Various fisheries have embarked on that process. I have no doubt those discussions will continue.

I'd just like to make a slightly broader point and say that we are looking at things like really significant closures from marine planning initiatives that are going to further impact people's ability to fish. We're not looking at the socio-economic implications of that. DFO's capacity to do social and economic...is woeful.

**Mr. Churence Rogers:** Could I ask Mr. Young to chip in on this conversation as well?

**Mr. Phil Young:** I tend to agree with a lot of those things. The DFO has looked at the conservation. With the economics, they're just leaving it up to the industry. In some cases, does it favour a company like ours? Yes, it probably does, because we have lots of backing and we're looking at it from a much longer perspective than somebody who might be looking at it and saying, “Well, can I get a payback in five years?” By leaving it to industry—yes, there are consequences of leaving it to industry.

**Mr. Churence Rogers:** Mr. Sporer.

**Mr. Chris Sporer:** Just building on what Christina said, I think we've done a very good job on conservation, particularly in the groundfish fisheries, but we had explicit conservation objectives. We haven't had those explicit economic and social objectives to meet, so they've been passed over.

I guess my recommendations would be, one, that this committee recommend to the DFO that they start collecting economic data and doing analysis so we actually have it; two, that future fisheries management initiatives like marine-protected areas should have explicit social and economic objectives. We have conservation and ecological targets. We don't have anything for the economics, for the people in the industry.

The third thing I'd say is that we've heard today that we've done well on conservation, but on the social side of it, there needs to be some work on that. I think when fleets or fisheries decide that they're going to have an industry process to develop a made-in-B.C. solution, that the committee should recommend the DFO work with those fisheries and assist them in their process.

**The Chair:** Thank you.

We will now go to the Conservative side for five minutes or less.

Mr. Miller.

**Mr. Larry Miller:** Thank you, Mr. Chair.

There are many directions I'd like to go in here, but time won't allow doing so.

Mr. Young, you mentioned something a few minutes ago about a lack of fish. I think this is something most people would agree has been the case for some time. There's no doubt there has been a human presence in that problem—call it mismanagement or whatever.

Here is what I want to say on this. Norway had a big problem a few years ago with seals. Everybody knows that the amount, in pounds, of fish that seals eat is tremendous. While Norway didn't call it a seal cull, the seals disappeared.

My question to all of you—and because of time, it needs a yes-or-no answer—is whether you think it's time that Canada should look at whatever it was that Norway did.

**Mr. Phil Young:** As somebody who has to sell into markets around the world, I'd say no. It affects the recreational sector, though, more than us.

**Mr. Roger Paquette:** If you talk to all the fishermen on the coast, they'll tell you how many fish were around back in the seventies and how many are around now.

No one talks about the number of females that are eaten. They go right for the eggs.

As I said earlier, in the sockeye fishery, in the last eight years we've gone from 30 million down to 10 million. I don't think that's overfishing.

There are, then, problems there.

**Mr. Larry Miller:** Is your answer yes, then?

• (1655)

**Mr. Roger Paquette:** Yes.

**Mr. Martin Paish:** From a recreational fishery perspective we would like to differentiate between whatever might have happened in Norway and predator control.

The answer would be that specific, targeted predator control on problem animals that are proven to be limiting the production, particularly of chinook stocks, gets a definite yes from us.

**Mr. Larry Miller:** Okay.

I'll just point out that in the province of Ontario—I live on Georgian Bay, one of the best freshwater fisheries anywhere—cormorants are a huge problem. The Ontario government is now looking at that problem, and it looks likely that something is going to happen.

Mr. Nishidate.

**Mr. John Nishidate:** Is it yes or no? I say maybe.

**Voices:** Oh, oh!

**Mr. Larry Miller:** You should get into politics.

**Ms. Christina Burridge:** I agree with Mr. Paish.

**Chief Chris Cook:** I've seen the problems with the sea lions. I'm on a herring advisory committee also, and I asked the scientific guy how much the seals eat in the Gulf of Georgia. It's 5,000 tonnes a year. However, the sea lions are a problem.

**Mr. Larry Miller:** It could, then, go beyond seals.

**Chief Chris Cook:** They want to close herring because the fish, when they're crapping and flushing their toilets...but there are 1,000 sea lions crapping all over the shellfish.

So yes.

**Mr. Larry Miller:** Okay.

Just to go in a different direction, Mr. Nishidate, you mentioned in your comments “unintended consequences”.

Could you name some of these, so that the whole committee understands where you're coming from.

**Mr. John Nishidate:** Among unintended consequences, for example, is the question of what you do with generational passing down of licences from father to son. We have situations, with sea urchins, in which that happens: their sons fish it.

How do you keep that knowledge in that fishery, then? Urchins is a very specific fishery.

**Mr. Larry Miller:** Mr. Bird, I think you used the word “inequities”, and you meant inequities, maybe, in the way DFO treats recreational fisheries vis-à-vis the commercial fisheries. Both industries are very important, as we know, but we've known for years that the commercial fishery is just under \$3 billion a year, which is huge, but the sport fishery is \$8.3 billion and has been for some time.

Is the sport fishery being treated fairly by DFO?

**Mr. Owen Bird:** I think I provided a bit of a theory to explain what is behind that, and that's the predisposition of the department to serve and manage commercial fisheries. I understand that this is the design of Fisheries, but to an observer and participant in all of the fisheries, it is quite clear, from the attention dedicated to the management of recreational fisheries and to their relationship with commercial and even first nations fisheries, the recreational sector often takes a back seat or can be used as a bit of a shield to allow certain measures to take place to agree on conservation issues, even though the recreational sector's impacts are lower by any standard.

**The Chair:** Thank you, Mr. Miller. Your time has gone over a little bit.

Going back to the government side, for five minutes or less, we have Mr. Fraser.

**Mr. Colin Fraser (West Nova, Lib.):** Thank you, Mr. Chair. I'll be sharing my time with Mr. Casey.

Thanks, everybody, for being here today. I really appreciate you coming and testifying for our study.

Mr. Young, I want to go back to something you mentioned earlier, regarding a competitive disadvantage in the groundfish off B.C. with no MSC certification—this is a competitive disadvantage, I take it, with our U.S. neighbours.

**Mr. Phil Young:** Yes.

**Mr. Colin Fraser:** You'd said that the government can help out in getting that MSC certification. Has that been flagged for DFO at this point, as to what they could actually do in order to help? Is there any movement in that direction? If that is the direction the government should be going, what can this committee recommend to the government in order to help get MSC-certified groundfish?

**Mr. Phil Young:** Yes, it is being flagged with the government. I believe they do have an interest in helping us. They have had those stock assessments in the queue for a couple of years now. Unfortunately, with the Species at Risk Act, there are timelines associated with them. When something gets recommended by COSEWIC as a species at risk, that jumps the queue, and they then become the priority, so they have to do those stock assessments.

We have seen groundfish slip for two years, some of them for three years. The department has to answer the other ones because there's a strict timeline for the Species at Risk Act.

• (1700)

**Mr. Colin Fraser:** Just to be clear, what species are you referring to when you say the groundfish?

**Mr. Phil Young:** For us, it's different types of rockfish. We have rougheye, widows and a few different ones. We needed to do individual stock assessments of different rockfish.

**Mr. Colin Fraser:** All right. Thank you.

John, you talked about the harvesting of sea urchins and sea cucumbers. I know that where I'm from in Nova Scotia, those fisheries are emerging potentials for exporting to Asian markets and Europe, as you mentioned. I'm wondering if you could help us understand the growth potential for those fisheries in particular, and if there's anything this committee could do in order to support new or emerging species that have significant growth potential.

**Mr. John Nishidate:** For sea urchins, it's a little bit different from regular fish. You never know what you have until you crack it open. It's like a box of chocolates. Basically, we pay fishermen more for quality, and we choose not to hire some fishermen, because we know their quality is not good. That's part of why we also own licences and designate licences to particular fishermen.

Sea cucumber is a bit different as well. It's typically in conjunction with another fishery, such as geoduck or sea urchin. It's the same skill type.

As far as what the committee can do—

**Mr. Colin Fraser:** Yes. Is there anything specifically that you think the government could do to help make any emerging species more valuable? Are there licensing problems or quota problems with those in particular?

**Mr. John Nishidate:** There are. Experimental licences, and things like that, take quite a long time to get, submit and process. I know, for example, that there was a hagfish fishery on the west coast they were trying to get going. They had a lot of problems with doing the science and everything else for that.

Help with experimental licences would be great.

**Mr. Colin Fraser:** Thanks.

We'll leave it there. I'll pass to Mr. Casey.

**The Chair:** You have one minute, Sean.

**Mr. Sean Casey (Charlottetown, Lib.):** Thank you, Mr. Chair.

I'm a little concerned, and I want to direct my questions around some of the testimony we've heard with respect to the approach of the department to science, and their objective of conservation and the sustainability of stocks.

I want to start with you, Mr. Young. You singled out the herring fishery as a shining example of one where the science is respected, and if the science says we don't fish, then we don't fish. Is it unique in that regard? Isn't that the case with all of them?

**Mr. Phil Young:** I think it's just had more years of science on a very localized area. Industry pays a lot every year to do surveys, because the fish all come back into one area, or into the five areas of the coast. They are congregated. You can look at the spawn surveys. You can do that type of work. I think it's one that's easier to measure. Salmon used to be that way, but I believe the in-stream work for salmon is nowhere near what it used to be, to look at what we're actually getting for returns.

**The Chair:** Thank you, Mr. Casey.

I guess when Mr. Fraser said that he would share his time he didn't mean equally. Perhaps we'll get back to you again.

Now from the Conservative side, Mr. Carrie.

**Mr. Colin Carrie (Oshawa, CPC):** I think Mel is going to go first.

**Mr. Mel Arnold:** I'll try to split my time with Mr. Carrie as well.

Mr. Sporer, I believe you were alluding to some of the stock assessments that were taking place on groundfish and so on. You were saying it's because of some of the COSEWIC priorities that have come forward.

DFO has promised some stock assessments for all of these key fish stocks. Has the department been able to do these assessments?

**Mr. Chris Sporer:** It was Mr. Young who mentioned it, but I can speak to it. In the halibut fishery, our science is done through the International Pacific Halibut Commission. For species we catch as bycatch, for instance some rockfish species, that science is done by DFO. For example, in our Marine Stewardship Council certification, we have our fisheries certified, but we had a condition on the lack of a stock assessment on rougheye rockfish, which probably was 20 years out of date. There are some real deficiencies on the groundfish side. In the fishery Mr. Young was speaking about, the groundfish troll, even though our fisheries I think are managed and monitored to a much higher standard than other fisheries, because of a lack of these stock assessments, it can't get the Marine Stewardship Council certification and it's at a disadvantage in the market.

• (1705)

**Mr. Mel Arnold:** Phil, did you have anything you wanted to add on that?

**Mr. Phil Young:** He summed it up nicely, Mr. Arnold.

**Mr. Mel Arnold:** Okay. Thank you.

I'll turn the rest of my time over to Mr. Carrie.

**Mr. Colin Carrie:** Thank you very much.

As Ken was saying, I'm not a usual member here, but I find what you're saying very interesting. I'm from Oshawa. Many of you may have heard that we're losing our plant. One of the reasons we're losing our plant is the competitiveness in the auto industry. Plants are consolidating, they're getting bigger, they're building in jurisdictions that are competitive. I see that there is a little bit of a similar thing going on in these different industries because what we're talking about are jobs of the future, jobs for the ways of life for our next generation.

I know in the sector, if you have unique Canadian regulations and different things that Canadians have to do from other companies that operate in other countries, it seems to be putting us at a competitive disadvantage. I think it was Christina who mentioned the Alaskans operating at 80%, where we're less than 40%. It's really great when we look at the science, but last time I checked, most fish don't know if they're in American waters or Canadian waters. We're trying to see what we can do as a federal government to look at this regulatory challenge because I'm worried. I'm worried about the jobs of the future and our kids. What amazes me is we're blessed to be in Canada, where we can actually look at the value chain and the value-added products going through that. My wife goes to Walmart and picks up sardines for \$1.44. Somehow people get four sardines that are cooked, they're in a can that we could make in Canada, they're in plastic wrap and they make it to the store for \$1.44.

I'm curious as to whether you could enlighten me if there's some really good advice you can give the Canadian government from a regulatory standpoint that would allow us to be more competitive, especially with our greatest competitor, the United States.

Christina, maybe you could go first.

**Ms. Christina Burridge:** I think most of you probably saw that The Globe and Mail a couple of weeks ago did a long investigation into Canada's data deficiencies. Fisheries was one of the major gaps. We know very little. We have gaps in stock assessment. We have huge socio-economic gaps. We don't know the impact of policies. DFO collects data, but it doesn't necessarily analyze that data. We need to look at a long-term partnership between industry and government. I really hoped that this would be one of your recommendations, that DFO needs to work with us to develop that data. Ms. Reid spoke to you last week about the groundfish economic study. We don't see how she can do it because fisher registration cards no longer require you to provide your place of residence. We don't think that she can do what DFO has committed for several years to do. A partnership to improve data would be a wonderful thing.

**Mr. Colin Carrie:** Are there any other suggestions down the road?

**Mr. Phil Young:** They allow them a 50% tax credit for any new, innovative things in their plants. That gives them a huge advantage, and they're doing some really good things up there. They're leapfrogging us because of that.

**Ms. Christina Burridge:** If I can add one other thing—and I don't want to say that this is the panacea to sort everything out—B.C., as was mentioned earlier, is the only province in Canada without a provincial loans board. Alaska has two, in fact. Nova Scotia has programs specifically targeted at young fishers. If you want to buy a lobster licence at—I'm guessing—\$1 million in Nova Scotia, if you can raise the 5% down payment, you can borrow most of the rest of that money.

**Mr. Martin Paish:** And from a recreational fishery perspective, it is strictly—

• (1710)

**The Chair:** We'll have to end it there. We've gone way over time.

Going back to the government side now, we have Mr. Hardie, for five minutes or less, please.

**Mr. Ken Hardie:** Thank you very much, Mr. Chair.

To Martin and Owen, with regard to my own experience in the recreational fishery, if I were to total it up, the value of my catch would be about \$132 a pound.

However, I want to expand a bit on the XRQ licences. This sounds like somebody is able to come in with lots of money and buy more access to fish than other people are allowed. Is that it?

That's it. You're nodding.

**Mr. Martin Paish:** Yes, absolutely. That's it, Mr. Hardie.

**Mr. Ken Hardie:** Okay. How did that happen?

**Mr. Martin Paish:** Well, it happened in about 2011. I'd suggest that there was a certain political component to it. There was a reallocation of halibut from the commercial sector to the recreational sector—about 3%—based on some significant concern expressed during an election year by the recreational fishery.

What flowed out of that was a reallocation of 3% and this XRQ quota which was intended to be a marketplace mechanism. Again, as I pointed out earlier—I won't repeat my comments—it has created a two-tiered access to halibut, and a system that is pretty easy to abuse by people who have nefarious intent.

**Mr. Ken Hardie:** Okay. You can maybe provide us with some additional background offline, which will go into the record, if you wish.

Is it fair to say, then, that we could be looking at the same phenomenon with the XRQ licences as we're looking at with some of the quotas being purchased by Lord knows who for Lord knows how much, because nobody knows?

**Mr. Martin Paish:** I'm not quite clear how that would work from a recreational fish perspective. I think the XRQ licence is a very specific licence to the recreational fishery.

**Mr. Ken Hardie:** Chris, did you have a comment?

**Mr. Chris Sporer:** I think some of the points that Martin is making need to be clarified. The program was envisioned in 2003, when the Honourable—

**Mr. Ken Hardie:** Could you make it really brief—I'm sorry—because I have some more questions.

**Mr. Chris Sporer:** Yes.

The Honourable Robert Thibault was minister of fisheries, and that's what started this program; it would be a way to move quota from the commercial sector to the recreational sector. Sixty per cent of the recreational catch is attributed to the lodge and charter sector, so it was basically a way to go from commercial fishing businesses to recreational fishing businesses.

**Mr. Ken Hardie:** We've talked a lot about the management of our stocks, and it sounds like there's a lot we don't know about the health of our stocks. Generally speaking, the systems in place have done a pretty good job in terms of providing sustainability. We're not overfishing.

However, I go back to the fact that we have a situation that needs to be at least looked at. As you mentioned, Ms. Burridge, that balance between risk and reward seems to not be very well balanced at all. I invite everybody to put some thought into that and to get back to us offline with your thoughts as to what we could do about that.

The other day I said that we don't want to blow up the current system, because people have done what they've done in good faith. However, the more we dig in, the more there are certain important things that we don't seem to know, especially about the ownership of licences and quotas. I think we need to drill into that and find out what we need to do to right the ship.

**Ms. Christina Burridge:** If I could make one point there, we have called, since I think 2004, for a quota licence and registry. It would have two outcomes. One, it would improve access to capital, but, two, it would improve transparency. I think Canadians deserve transparency, so it would be part of my data argument.

I'd like to see you recommend that. I also think that the individual fishery advisory processes need to wrestle with what change would mean in their fisheries, and they deserve a chance to do that themselves.

**Mr. Ken Hardie:** Be very brief, Mr. Cook.

**Chief Chris Cook:** I just want to share that, with the sport one.... I don't want there to be a big argument, but, you know, if my licence is the same, I can go out and all I can catch is salmon. If you have a sport licence and you leave Ottawa and get out on a boat, you can fish clams, herring, halibut and spring salmon. You can fish all these different species with one licence.

That's pretty unbalanced. For a \$40 licence, you can fish all these different species. To go and fish halibut, it's \$110 a pound for a halibut licence. A prawn licence is \$500,000. A crab licence is \$500,000. But with that sport licence, you can go out and get so many crabs, so many prawns, so much halibut—all these with one licence. That's pretty unbalanced.

• (1715)

**The Chair:** Thank you, Mr. Hardie. You've gone a little bit over.

We'll go now to the NDP.

Mr. Donnelly, you have three minutes or less, please.

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

I'd like to go to Mr. Nishidate.

The comment you made earlier was “find a better boss.” The challenge that we've heard about from young fish harvesters is that it's really hard when the quota holders are investors and don't operate a vessel.

How do you find a better boss in what you're recommending?

**Mr. John Nishidate:** The example I gave was that the diver didn't want to be in that situation anymore, so he went out and did it himself. There is that opportunity.

**Mr. Fin Donnelly:** Doing it himself means acquiring that licence, which is.... Is that what you're suggesting?

**Mr. John Nishidate:** Yes. In that case, he didn't come to us for financing. He just started his own and asked us to buy. We agreed because we knew he was a good diver.

**Mr. Fin Donnelly:** Okay.

Ms. Burridge, I think you've already answered this in a previous question, but here's sort of a similar question. I'm just picking up on Mr. Rogers' questions about the licence. Do you think the current licence system is working for young entrants in B.C.?

**Ms. Christina Burridge:** I think it's certainly harder for young entrants than people who are already in the industry who have assets that they can raise money on. I don't think that is unique to B.C. I think you see exactly the same problems in Alaska, in Atlantic Canada and in rural coastal communities everywhere else.

In fact, I think it's really hard for young people to find good jobs almost anywhere, so fishing is not unique. That's not to say we don't have some problems that we need to address, Mr. Donnelly.

**Mr. Fin Donnelly:** Sure.

I think you made a suggestion about a loans program.

**Ms. Christina Burridge:** We see that as being part of the mix because, clearly, one of the problems is that licences are expensive. I'll use the example of, say, a million-dollar lobster licence. If you can raise that 5% from family, friends—because the bank is not going to give it to you—and sometimes processes, then you have the means to actually see a future for yourself in a way that perhaps young people here today do not.

**Mr. Fin Donnelly:** You just brought up lobster, which is right on cue. Perfect.

We're seeing an increase in biomass on the east coast. Where do you think those lobster are coming from? Is that biomass in Canada, or is it migrating north from Maine?

**Ms. Christina Burridge:** I don't know a huge amount about lobster, but I suspect it's a bit of both.

**Mr. Fin Donnelly:** In other words, what I'm getting at is that the climate is changing in our oceans and it's affecting our fishery. Whether it's with regard to groundfish, fin fish, etc., that's causing a real problem.

**Ms. Christina Burridge:** I think that's one of the reasons why, at a time when, in a sense, we should be feeling pretty good about ourselves—demand for wild fish is good, we've made the hard conservation decisions, stocks are stable—there's, in fact, a huge level of anxiety out there. It's the things that I mentioned—marine planning, reconciliation and SARA listings—that could shut down the entire salmon industry, but it's also those bigger things like climate change and technological change, as well as how those affect our ability to make a living in that bigger context.

**Mr. Fin Donnelly:** It does seem that your comment about more SARA listings is a reality for the fisheries.

**Ms. Christina Burridge:** I can tell you that there won't be any salmon fisheries on the south coast.

**Mr. Fin Donnelly:** I'm just saying, though, that's a reality, right?

**Ms. Christina Burridge:** Yes.

**Ms. Christina Burridge:** Yes.

**Mr. Fin Donnelly:** There seem to be more designations of listings.

**The Chair:** We'll go back to the government side now.

Mr. Morrissey, for three minutes or less, please.

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

Do any of you believe that the status quo is maintainable and sustainable?

• (1720)

**Ms. Christina Burridge:** I don't think we have seen the status quo for as long as I've been around in this business, and I don't expect that we will see it continue.

We are going to be faced with changes in population trends, with ocean acidification. We're going to have to grapple with new challenges. We have the whole question of increased first nations participation, and that's fundamentally a good thing. We have to deal with meeting marine conservation targets.

It really is imperative that we come to grips with some of the things that we can do something about, so the answer is no; I think change is a constant in fisheries.

**Mr. Chris Sporer:** That was it. She got it.

**Mr. Robert Morrissey:** Okay.

Ms. Burridge, could you describe the typical member you represent?

**Ms. Christina Burridge:** We're an association of associations, so most of my members would—

**Mr. Robert Morrissey:** The typical fisher, the person.

**Ms. Christina Burridge:** No. My members are associations. Chris is with Pacific Halibut Management. We're an association of associations. Chris' members are—

**Mr. Chris Sporer:** Our members are commercial halibut licence-holders, vessel owners.

**Mr. Robert Morrissey:** Can you describe...?

**Mr. Chris Sporer:** Sure. Our organization was formed in 1997. It's a provincially registered society. It was formed initially so that we would go into co-managed arrangements with DFO.

We engage in science activities with DFO. We work collaboratively on a rockfish survey program, even though we're the halibut fishery. We catch inshore rockfish during our fishery. There was a lack of science there. We were concerned about what it would mean for our fishery, so we fund a survey program designed by DFO, and we implement it every year. We work collaboratively. That's why we were formed. The industry funds us, and we do that.

As the sort of umbrella group for the industry, we also engage in the broad issues, the bigger issues.

**Mr. Robert Morrissey:** I didn't get an answer where you identified a particular fisher on the water.

**Mr. Chris Sporer:** Do you want the names of some fishers?

**Mr. Robert Morrissey:** No, a description, generally.

**Mr. Chris Sporer:** Commercial halibut fishermen are members of our association.

**Mr. Robert Morrissey:** Would they own their own boats?

**Mr. Chris Sporer:** Yes.

**Mr. Robert Morrissey:** Would they fish for themselves?

**Mr. Chris Sporer:** Our membership is diverse. We have members who own their own boats and who fish. They fish their own quotas. They lease some quota. We have some who probably lease more quota than they fish. We also have first nations members, first nations entities and first nations individuals.

**Mr. Robert Morrissey:** I have a second question, just one final one, Mr. Chair.

Ms. Burridge, you made the statement, "We have chosen to protect weak stock."

**Ms. Christina Burridge:** Yes.

**Mr. Robert Morrissey:** Could you elaborate?

**Ms. Christina Burridge:** I did make that statement because it's true.

**Mr. Robert Morrissey:** You raised it in the context, as I interpreted it, of putting Canada at a disadvantage to Alaska.

**Ms. Christina Burridge:** It is a different way of managing fisheries.

We have decided that we want to put more fish upriver because we have some weak salmon populations. We also want to put more fish upriver for first nations food, social, ceremonial and economic access.

If you do that, the corollary is that you have far less open ocean fishing, so the days, let's say, of 500 trollers in Dan's community of Ucluelet are not going to come back because we've moved the model of what we do. We catch fish upriver now rather than in the open ocean.

**The Chair:** You're way over time.

**Mr. Robert Morrissey:** Sorry.

**The Chair:** Mr. Arnold, you have three minutes, please.

**Mr. Mel Arnold:** Thank you.

Chris Sporer, I saw you were putting up your hand to answer that. I'll give you a couple of seconds of my time.

**Mr. Chris Sporer:** I wanted to say that we also do that in the groundfish fisheries, where we manage our fisheries by individual quota. We transfer quotas around from fleet to fleet, boat to boat, to cover not just the directed species but also the bycatch species. A bycatch species could choke out a directed fishery if that quota is reached.

**Mr. Mel Arnold:** Thanks.

This one is for the BC Seafood Alliance and Canfisco.

Can the processing sector continue to be competitive under the current system?

**Ms. Christina Burridge:** I think you should ask Phil to answer that one first.

**Mr. Phil Young:** From our standpoint, I think we can, but it has resulted in consolidation.

Look at what we've done. We have one of the biggest plants on the west coast. It's a reasonable size by Canadian standards, but we utilize U.S. fish to do our value-added products.

Yes, we can be competitive because we have absolutely wonderful food safety regulations. They're costly, but they're accepted around the world.

•(1725)

**Mr. Mel Arnold:** If there were changes made to the system for more owner-operator local processing and so on, would we continue to be competitive? Or would we possibly lose out to offshore processors or factory ships? Are there any predictions there?

**Mr. Phil Young:** I don't think the owner-operator ability would change anything, and I think Canada has strong things about bringing factory boats into our waters.

It is harder for smaller communities. If they think they're going to build a plant in every community, they will find it just.... A QC person costs \$80,000 a year these days, and you cannot get away with a CFIA licence if you don't have at least one. We have eight quality control people in our big plant at Delta Pacific.

**Mr. Mel Arnold:** Thank you.

I don't think I have anything further at this time.

**The Chair:** We'll now go to Mr. Donnelly again for the remaining time.

**Mr. Fin Donnelly:** Thank you.

I guess I'd leave everyone here to think in a short amount of time about one recommendation you could give to this committee. I think a number of you who have presented have given good recommendations. We'll capture that, but if there's one thing you could impress on us.... Also, because I'm sure I don't have enough time to hear from everyone, maybe we'll just go with a show of hands.

Chris.

**Mr. Chris Sporer:** Very quickly, fisheries are always in a constant state of evolution. We're now entering another constant state of evolution. We've found solutions. Instead of a top-down approach, let the industry find the solutions. We have a history of doing it. Let us do it. Help with the framework to do it.

**Mr. Fin Donnelly:** The sport fishermen?

**Mr. Martin Paish:** End the XRQ fishery, please.

**Mr. Fin Donnelly:** Okay. Axe that.

Mr. Nishidate.

**Mr. John Nishidate:** The loan idea would be great for fishermen.

**Mr. Fin Donnelly:** Okay.

Mr. Cook.

**Chief Chris Cook:** As I sit here, I haven't heard anybody share anything about first nations since my sharing. I don't know if anybody heard me.

One thing I would like to say is that if I could ask for any kind of change, it's to somehow help us first nations and the coastal people. I hear you talk about buying quotas. As you know, we can't go to the bank because on our reservations we can't get  $x$  amount of dollars. Even my friend who has a \$500,000 home on the reserve can't get money on that.

Here's what I would like to see. Do something about the quotas. Do something about the many quotas that are owned by a handful of people. You hear all these different things about licences and halibut. They have nothing to do with us as first nations. When I go home, I'm going to be asked, "What did you hear, Chief?" You know what I'm going to say? "Nothing. I never got any feedback from any of the standing committee that really means something for me to bring back home, that we as the first nations, that Chris Cook, sitting here, has been heard."

*Gilakasla.*

**Mr. Fin Donnelly:** Well, Chief, I'll add that I think I certainly have heard your testimony. I appreciate that. I would also like to challenge you. If you can recommend—maybe in writing or verbally—how this committee can better include in its report first nations and have them be better represented in the licensing system, that's what we're looking for. It's a big challenge. As I said, it's complicated.

**Chief Chris Cook:** The licensing system that is available for us in first nations is through PICFI, so don't give us a band-aid program and tell me it's going to be okay. You may as well give me an aspirin, and I'll put it on top of my head. That's about how much help that's going to be.

In terms of change, let us have some decision-making in PICFI to be able to give those licences out. It's red money, as far as I'm concerned. Those licences were bought for us. This is one thing I want to share, so I hope I can get two more minutes. When you bought all these licences in Mifflin, do you know what you did? You bought all the licences from the coast, all the way down, in PICFI. Do you know where you put them? In the river—right where those fish have come from Alaska and outside, come all the way down and into the river to spawn. What's the difference between a fish that goes past my village, 150 miles from the river, and a fish that goes in front of the Musqueam— 800 kilometres more? The Government of Canada at the time made a decision. They said they'd paid for those licences, but they bought them from us, the coastal people. There used to be two million fish caught by the commercial fishermen in Johnstone Straight, and that's 200 miles. It used to be 200,000 commercial and 300,000 for the natives. I'm native. Now it's two

million for the river, and 300,000 for the commercial, and they're even building boats to fish up the river.

God, what kind of system is that?

• (1730)

**The Chair:** Thank you, Mr. Cook.

Before we close, I want to thank all our presenters today for their presentations and their participation in this session.

I will remind everyone that we have a meeting again tomorrow from 3:30 to 6:30.

Just as a little bit of information for Mr. Cook, with the indigenous component, we do have some more indigenous witnesses appearing on Wednesday, so we will get to hear lots of testimony, and hopefully it will be included in the recommendations and in the study.

Thank you, everyone.

**Chief Chris Cook:** Thank you.

**The Chair:** The meeting is adjourned.

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