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• (1100)

[*English*]

The Chair (Mr. Ken McDonald (Avalon, Lib.)): I now call this meeting to order.

Welcome to meeting number 70 of the House of Commons Standing Committee on Fisheries and Oceans. This meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022.

Before we proceed, I would like to remind everyone to address all comments through the chair.

In accordance with the committee's routine motion concerning connection tests for witnesses, and for members participating virtually as well, I am informing the committee that all tests have been completed and everyone is good to go.

Pursuant to Standing Order 108(2) and the motion adopted on January 20, 2022, the committee is resuming its study of foreign ownership and corporate concentration of fishing licences and quotas.

I would like to welcome our first panel of witnesses.

Representing Institut de recherche en économie contemporaine, we have Gabriel Bourgault-Faucher, researcher, by video conference. Representing West Coast Wild Scallops, we have Melissa Collier, commercial fisherman, by video conference. Representing the Vancouver Anti-Corruption Institute, we have Dr. Peter German, chair of the advisory committee.

Thank you for taking the time to appear today. You will each have up to five minutes for an opening statement.

We'll start with Mr. Bourgault-Faucher.

[*Translation*]

Mr. Gabriel Bourgault-Faucher (Researcher, Institut de recherche en économie contemporaine): Good morning, Mr. Chair and committee members.

As a researcher with the Institut de recherche en économie contemporaine, the IREC, I have been interested for over three years in the commercial fisheries and aquaculture sector in maritime Quebec from a regional development perspective.

This sector is facing many issues, and I would like to thank you for inviting me to appear this morning as an expert to give my opinion on the matter of foreign ownership and corporate concentration of fishing licences and quotas.

In Quebec, the presence of foreign firms and funds in aquatic product processing is very real but poorly documented. This is a topic we would also like to study in greater depth at IREC. However, this is an issue that falls under provincial jurisdiction, and I do not think the Department of Fisheries and Oceans, or DFO, should be involved in this segment of the industry.

That being said, I think DFO's efforts in recent years to enshrine the Owner-Operator and Fleet Separation Policies in regulations are commendable, even if, based on the testimonies heard in recent sessions, it seems that there is still a lot of work to be done to enforce these regulations fully.

In fact, it is the concentration of fishing companies, a phenomenon that has been observable in Quebec for some years now, that I would like to focus on today.

I have looked at the official DFO data and, for a period of about 10 years, between 2012 and 2021, there have been 465 fewer fishing licences in Quebec, representing a decrease of 8%, while the number of fishers has increased by 34, or 3%. In other words, there are now more fishers sharing fewer licences, which means that we are seeing a significant concentration of fishing licences.

At the same time, landed values have increased sharply in recent years, primarily as a result of higher prices for the main crustaceans on global markets. The result is that each fisher today earns, on average, almost two and a half times what a fisher earned 10 years ago, and that is in constant dollars, which account for inflation. These data are certainly very general and mask an infinitely more complex reality.

Recently, I had the opportunity to produce a fisheries portrait for the regional county municipalities, or RCMs, of the Gaspé Peninsula. In the course of this research, we toured the Gaspé region to gather qualitative data, namely through interviews with fisheries stakeholders. These interviews complement the statistical data and provide a better understanding of the dynamics at work in the Gaspé Peninsula, and possibly elsewhere in maritime Quebec and Atlantic Canada.

The concentration of fishing licences, which has been under way for a number of years, is creating two major challenges for coastal communities with regard to the redistribution of wealth and the establishment of the new generation of fishers. To put it another way, the concentration of fishing licences and quotas in recent years has resulted in a concentration of wealth and an increase in socio-economic inequalities among fishers from different fleets, especially between snow crab and American lobster fishers and other fishers.

This concentration of fishing licences and quotas has also had the effect of accentuating barriers to establishing a new generation of fishers, because it is now more difficult to acquire a first fishing business than it used to be, which in turn reinforces the socio-economic inequalities.

To conclude, I would like to note that in addition to protecting and conserving marine ecosystems, the aim of DFO's regulations and policies is to promote the economic prosperity of fishers and their communities. However, it appears that the department is failing to fulfill that role adequately. That is why it is necessary to consider other regulatory mechanisms to prevent too great a concentration of fishing licences, especially for the main species, and to facilitate access to these licences for the next generation.

● (1105)

[English]

The Chair: Thank you for that.

We'll now go to Ms. Collier for five minutes or less, please.

Ms. Melissa Collier (Fish Harvester, West Coast Wild Scallops): Good morning, everybody, and thank you very much for having me here today.

My name is Melissa Collier, and I am a commercial fisherman based out of Courtenay, B.C. I am here today to represent my fishing family, and, more specifically, my husband Joel Collier, who is a fourth-generation fisherman. Joel is actively harvesting prawns as we speak, as was I until a few days ago.

Prawn season is the busiest time of year for my family, especially because we earn the majority of our annual income from this fishery, so the fact that I am speaking here today is a testament to how important I find this issue to be. I have spent the last several days trying to prepare for this meeting, listening to the past sessions as much as I could, while balancing the demands of our business and, more importantly, my little ones, who missed their mom while she was gone. From what I have seen, you have heard, and will continue to hear, from individuals significantly more knowledgeable on this topic than I am, but I would like to take the opportunity to share some of our story and speak to what we see and hear out on the water.

My husband and I fish for spot prawns, salmon by troll, and swimming scallops on our 42-foot vessel, the *Lisa Jess*. We are owner-operators. Even though we own our licence and quota, much like what Ms. Strobel said in a previous session, we also lease additional quota or licences when needed to make specific fisheries economically viable.

Being owner-operators allows us to decide what to fish and whom to sell to, and to negotiate a fair price. Through many years

of effort and developing relationships, most of our catch stays here in Canada. We have worked very hard to maintain full autonomy, even when it has made our path significantly more challenging. It's hard, and in many cases impossible, for our little family business to compete with bigger enterprises. Our expenses are higher to operate. The work is massive for only two people, and we just can't match prices.

We do it because it means a lot to us, knowing that each person or business in our community that supports us gets direct value from our seafood, whether that be all the businesses that supported us to get out on the water in the first place, the two young men we employ, or all those who help us get our seafood to its final destination. It's everything from the local freight company to the fishmonger to the chef.

We also take a lot of pride in producing the highest-quality seafood we can. We love to be able to share it with our friends, family, communities, and fellow Canadians. Feeding people the amazing, sustainably caught seafood from our pristine B.C. waters is what it's all about.

Every year, it gets harder to be a fish harvester, especially in the last four to five years. It seems as if there has been a big shift in the fishing industry, and barriers like never before are constantly being thrown in our path. Every year, we have to work harder than the last just to make this life work. With the current trends in our coastal communities, it will likely only get worse.

I've compiled a list of observations in the hope that they frame the issue, and I can elaborate on any of these during the question period, if there is interest.

We are seeing fewer and fewer owner-operators participating in the industry. We are seeing fewer boats tied up at the dock. We are watching multi-generational fishing families unable to pass their business down to their children. We have watched the fleet grey, which should be an opportunity for new fishers to enter and existing fishers to build their fishing businesses. Yet, due to overinflated prices, the fact that the licences are married, or being outbid by larger entities and corporations, it's nearly impossible for independent harvesters to purchase these licences.

We have personally witnessed vessels and licences being used as physical assets and investments, being bought by individuals who, themselves, have no plans to fish. We see fishers our own age leaving the industry at an alarming rate, many of whom are multi-generational fishers. We have watched lease prices driven up so high that there is a financial incentive for owners to lease instead of fish. We are watching as the food security of our country is being put at risk, as the access to our fishing resources is being taken away from local fishers. We have seen drastic changes to our coastal communities and a reduction of services available to fishers.

If you had asked us five years ago what we felt about the future of the fishing industry, we would have been optimistic. Fishing is a very hard life, but it is worth it, and we saw a future. Our future is now uncertain. We honestly don't know whether we can remain in this industry long enough to pass it down to our children the way it was passed down to us. If fishers like us who are so heavily invested in the fishing industry are already having such a hard time, how are new entrants supposed to make it work? What is an industry without a next generation to continue it?

The fishing industry is struggling for so many reasons. I will not say that all of these observations are a direct result of the current licensing system, but a system that allows anyone to own licences and quota exacerbates the problem. Access to and the income generated from fishing continue to be concentrated in the hands of a few, instead of flowing to the men and women actually doing the work, and the coastal communities in which they live and work. For those of us who do own and operate, we can't possibly keep up. We will be slowly squeezed out as fishing becomes less economically viable.

• (1110)

Thank you very much.

The Chair: Thank you for that.

We'll now go to Dr. Peter German for five minutes or less, please.

Dr. Peter German (Chair of the Advisory Committee, Vancouver Anti-Corruption Institute): Good morning, members of the committee. Thank you for the invitation to appear here today.

By way of a brief introduction, the Vancouver Anti-Corruption Institute, VACI, was established in 2021, in the wake of money laundering and other disclosures within British Columbia. It's an integral part of the International Centre for Criminal Law Reform and is located at the University of British Columbia. We have a distinguished board of advisers, many of whom would be known to you. We are non-profit and do project work internationally, as well as research and writing, and host conferences and workshops.

On a personal note, I'm a former deputy commissioner of the RCMP and of Corrections Canada. I also authored two reports for the Attorney General of British Columbia, who is now its premier, entitled "Dirty Money" and "Dirty Money—Part 2".

I do not profess to have any experience in fishing or the fisheries. Mine lies in the areas of money laundering, organized crime and corruption.

The work of this committee is vitally important to Canada's fisheries, to coastal communities and to individual fishers. As an addendum to the terms of reference that I received from B.C.'s Attorney General in 2017, I was asked to review the issue of money laundering in the context of the purchase and sale of fishing licences and quotas. We spoke to several individuals, reviewed documents and included our findings in "Dirty Money—Part 2" at chapter 5-1.

It is worth noting that the linkage between fisheries, organized crime and money laundering is a subject that has been studied internationally, including by the UN Office on Drugs and Crime. When

you do not have a transparent ownership system in which the public is able to see who are the ultimate beneficial owners of fishing licences and quotas, you are vulnerable to the involvement of state actors, organized crime and money launderers.

In our research, the high degree of concentration of ownership of fisheries licences and quotas on the west coast was alarming. Equally alarming was the high degree of ownership by foreign entities and non-citizens. We were advised that the top four visible owners of groundfish trawl, halibut and sablefish quotas were foreign entities or individuals, amounting to 50% of B.C.'s quotas for those species.

The move to a beneficial ownership registry in B.C. for land ownership and the federal government's recent commitment to a beneficial ownership registry for corporations reflect the importance of transparency. The same should apply to the fisheries. We cannot simply allow our fishery to be sold to unknown persons using unsourced funds.

This brings me to the money. Money laundering is the back office of organized crime and walks in tandem with it: how much, from where and why are critical questions. We refer to three stages in a money-laundering cycle: placement, layering and integration. The intent is to obfuscate the paper trail. Virtually all countries have anti-money-laundering laws. Few actively enforce them. In Canada, our record has been spotty, although budget 2023 and initiatives in B.C. do offer hope, as does civil forfeiture in the provinces.

Determining the source of funds or wealth used to purchase licences and quotas is incredibly important. Is the source of funds legitimate or are the fisheries being used as part of a broader attempt to invest money obtained through crime, or money avoiding overseas capital controls or money evading taxes? Inadequate vetting of the source of funds entering our casinos led to the casino debacle in B.C. With much stricter rules and thresholds now in play, the issue within our casinos has been reduced dramatically. However, dirty money must be laundered, and it will inevitably move to areas of less resistance.

We must also be alive to the fact that fish quotas and boat sales are not reportable to FINTRAC, Canada's financial intelligence unit. This is regrettable, as it eliminates an important source of intelligence for investigators seeking to ensure that the fisheries are not being used by organized crime.

I will end by noting that solutions require strong legislation and cross-agency co-operation. However, there is no point in creating regulations if they are not enforced, or if those tasked with enforcement do not have the necessary skills and resources.

Members of the committee, yours is a particularly important task. I thank you for your work, and I'm happy to answer any questions you may have.

• (1115)

The Chair: Thank you for that.

We'll now go to our first round of questions, starting with Mr. Arnold for six minutes or less, please.

I remind members to identify whom their question is for in order to make it a little easier and smoother.

Mr. Mel Arnold (North Okanagan—Shuswap, CPC): Thank you.

Thank you to all the witnesses today.

I'll start out with Mr. German, if I can. Thank you for appearing.

You mentioned that there's a lack of accountability and spotty performance in Canada in terms of enforcement. Where are the gaps in the enforcement, and where are the gaps in identifying? Can you help us identify that?

Dr. Peter German: Thank you.

It's a good question with a huge answer. It's really a cross-party issue, and this is something that we've seen for years despite governments.... Money laundering is not one of those topics that tend to rise to the top of agendas. It does from time to time, when there is some sort of an issue, but it has increasingly been receiving attention, certainly in British Columbia as a result of our casinos, but also nationally. We do not have a lot of systems that other countries do.

For example, and I'll pick on one, we do not have what's referred to as universal cash reporting, which means that all suspicious transactions from all industries have to be reported. Fisheries are an example. Boat sales, auto sales and auction houses are not reportable to FINTRAC. FINTRAC, our financial intelligence unit in Canada, receives a lot of intelligence, but not from certain segments of the economy where it should, and this is one of them. That's one example.

• (1120)

Mr. Mel Arnold: Thank you.

Can you tell us how it might be possible to tie the foreign investment or money laundering to the purchase of vessels, licences or other operations that would have control over the actual harvesters who may not own the licences or own the quotas?

Dr. Peter German: Really, it boils down to transparency, knowing whom you're dealing with and knowing where the money is coming from. That's really what I was trying to say in my opening remarks. That requires doing due diligence. This is no different than financial institutions doing due diligence on who their customers are. We should be doing the same thing in terms of who's buying licences and quotas.

Mr. Mel Arnold: Thank you.

I'm going to switch to Ms. Collier online.

Thank you for appearing today. It was great to visit your boat with your husband and see your operation a few weeks back.

I think you explained a lot of frustration in what you're seeing with the harvesters in your area and so on. Have you seen any change, whether a positive change or a more concerning trend, with the ownership of quotas and licences on the west coast?

Ms. Melissa Collier: Yes, I think that in general, we've seen a lot fewer owner-operators operating on the coast, and a lot more people relying on leasing to be able to access licences. We've seen a lot of boats changing hands, and we're not sure who is purchasing those boats and licences. I think a lot of it—as I said in my opening remarks with the greying of the fleet—is seeing a lot of fishermen retire unable to pass it down to an active fisherman, so those boats and licences either get purchased by an investor of some sort or go into a bit of a pool with some processors so fishers can still access them, but as a roundabout way through leasing.

Mr. Mel Arnold: Roughly four years ago, this same committee completed the report on sharing the risks and benefits on the west coast. I think the indication that that study was done and that it was completed four years ago explains to me that this issue has been ongoing for longer than that time. It was obviously there before we started the committee. Have you seen any actions out of that report from 2019 that have improved the situation for harvesters in your area?

Ms. Melissa Collier: No, the only action I've personally seen is the beneficial survey that came out, which, as you've heard from previous speakers, seemed flawed. My husband and I had to fill it out twice because we have both vessel-based and party-based licences. Actually, it was three times, due to technical glitches.

That's the only action I've seen. Otherwise, it seems like some more studies or potentially research has been launched by DFO, but nothing tangible that is actually translating to anything on the fishing grounds.

Mr. Mel Arnold: Thank you.

Mr. Bourgault-Faucher, you mentioned that you've been providing data for over 10 years. How long has this been an apparent issue, and have you seen any positive change in the last number of years?

[*Translation*]

Mr. Gabriel Bourgault-Faucher: Just to clarify, the data I looked at are the data provided online by the Department of Fisheries and Oceans. The reason I picked data from the last 10 years is that I didn't want to go back too far. There are also challenges in compiling data, which sometimes change at certain times. Since I've only looked at the data from Quebec, I can't confirm that the phenomenon is similar in the rest of Canada, but that is most likely the case. We can't go back more than 10 years because the data aren't necessarily comparable.

[English]

Mr. Mel Arnold: Thank you.

The Chair: Thank you, Mr. Arnold.

We'll now go to Mr. Hardie for six minutes or less, please.

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

I could use double the time, because there are so many questions.

Dr. German, I'll start with you.

Does money laundering almost exclusively involve foreign actors?

Dr. Peter German: No. Most crime gives rise to proceeds of crime, and that's why people commit crime. That's sort of why organized crime commits crime; it's to make money. We have domestic money laundering, and we have foreign money laundering. It really depends on where the organized crime groups come from.

• (1125)

Mr. Ken Hardie: Is there a problem with the fact that FINTRAC doesn't really apply to transactions with lawyers and particularly between lawyers' trust accounts?

Dr. Peter German: It has been an issue for quite some time, and I've been somewhat outspoken about it. Other countries—in fact, many countries in the European Union—require that lawyers report suspicious transactions. In Canada, we have not gone in that direction. There's a reliance on law societies to regulate and also to provide that component.

The recent Cullen commission sort of endorsed that approach. It's not necessarily what I agree with, but that is the Canadian approach.

Mr. Ken Hardie: There is some work being done by Fisheries and Oceans, DFO, on beneficial ownership, but we understand, and I don't know if you've picked this up, that the question they asked isn't going to produce the information. They just asked if people had a licence, as opposed to who owned the licence that they had.

Have you had that reflection yourself, sir?

Dr. Peter German: First of all, my involvement in fisheries is somewhat dated, in that it relates to the work that I did on the “Dirty Money” reports. It's funny how fast time moves along.

However, the issue of transparency and beneficial ownership is that you have to know not the name of the company but who the beneficial owner is of the company that holds the licence. Having the name of the lawyer who registered the company is simply not sufficient. You have to go back to the individual who is what we refer to as the beneficial owner.

Mr. Ken Hardie: You mentioned that budget 2023 had something helpful in there. Can you expand on that briefly?

Dr. Peter German: There were a number of measures in budget 2023 touching upon money laundering, FINTRAC and potential legislation. Again, we haven't seen the impact of that yet, so that remains to be seen.

Money laundering is such a huge issue. It's a case of having enforcement agencies that are resourced and prioritize this type of work. There are many different factors that come into play. There were a number of initiatives in the budget. I also mentioned that there have been a number of initiatives in British Columbia.

At the end of the day, we need the beneficial ownership registry in Canada for both land and corporations. Right now, B.C. is the only one that has a land beneficial ownership registry, and the federal government is talking about and is committed to bringing in a corporate registry. Fisheries, for example, are just one area where it would be really nice to have that beneficial ownership knowledge.

Mr. Ken Hardie: Thank you.

They say the road to hell is paved with good intentions, and all the legislation in the world without the resources to enforce it is not very useful.

Ms. Collier, could you confirm for us that, when you and your husband go out to lease quota, you have to pay the asking price at the time you lease it, regardless of the end price you end up getting at the dock? Is that correct?

Ms. Melissa Collier: It depends on the leasing agreement and the fishery. There are some fisheries where you pay a per-pound lease rate, but in all the licensing agreements that we have had, yes, it's a flat rate that you pay to access that licence, regardless of how much you catch or how much you get for your price in the end.

Mr. Ken Hardie: We get an awful lot of talk that we should move to an owner-operator fleet separation process on the west coast. Is it enough to simply, right now, stop sales to foreign interests or to people who are not boots on the deck? Is that going to be a way to get a just transition done?

Ms. Melissa Collier: I personally think that you also need fleet separation.

Mr. Ken Hardie: Okay, that's fair enough.

That's it. I got through my questions. Thank you.

The Chair: Thank you.

We'll now go to Madame Desbiens for six minutes or less, please.

[Translation]

Mrs. Caroline Desbiens (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, BQ): Thank you, Mr. Chair.

I am very grateful to all the witnesses for being here. Their presence is always very relevant.

Mr. Bourgault-Faucher, you spoke about the concentration of ownership of fishing licences and quotas, especially in Quebec. What main factors do you think led to such a significant concentration?

• (1130)

Mr. Gabriel Bourgault-Faucher: Thank you for the question.

There are two main factors, which stem mainly from policies implemented by the Department of Fisheries and Oceans. The first is the rationalization plans, most of which were implemented between the late 1990s and the 2010s in various fisheries. This rationalization essentially consisted of buying back existing licences in order to eliminate them. In some cases, this increased the quotas associated with each licence and improved the profitability of fishing enterprises. However, it has also had the undesirable effect of concentrating ownership of fishing licences.

The other factor is the shift in many fisheries from competitive fishing to individual transferable quotas. With those, fishing licences are attached to a set quantity of the resource to be harvested. This has increased the value of licences and led to a buy-back of licences among fishers, contributing to the concentration of licence ownership we see today.

I would like to point out that the rationalization plans and the move to individual transferable quotas are not necessarily inadequate, but they've had undesirable consequences on the concentration of ownership of licences, which in turn leads to problems with wealth redistribution and succession planning.

Mrs. Caroline Desbiens: Thank you. That is very informative.

What really concerns me is the fact that the system creates a kind of vicious circle. It's more profitable for some fishers but, as we know, money is everything. However, the next generation is being sacrificed, as is the communities' access to their fishing potential. Could you tell me what this means in practical terms?

Mr. Gabriel Bourgault-Faucher: Based on the discussions we had when we went to meet with Gaspé fishers, in particular, consideration must be given to the global economic situation in terms of the concentration of wealth. In fact, in the last 10 years, there has been a very significant increase in the price of major crustaceans on world markets. These include American lobster and snow crab. These are factors associated with the global socio-economic conditions that are beyond the control of fishers. As a result, incomes of American lobster and snow crab fishers have increased sharply, even as licence ownership has become more concentrated. Fishers from other fleets haven't been as fortunate in terms of the prices of the species they fish.

It was clear from our discussions that the concentration of wealth is increasingly visible among fishers. This can be seen on the docks, as material disparities between the fishers of the various fleets increase in parallel with the rising ability of some to buy out others. As a result, only the wealthiest fishers are now able to buy licences, which again has the effect of concentrating ownership and accentuating inequalities.

In terms of barriers to establishing the next generation, the main problem is the increase in the value of licences. Again, this is due to rising prices for major crustaceans, licence concentration, rationalization plans and individual transferable quotas. As a result, the next generation has less and less access to these licences, which are currently going to the highest bidder. For the next generation, gaining access to licences and, more generally, acquiring a first fishing enterprise has become almost impossible, unless they come from a fishing family and therefore "inherit" a fishing licence, or are from

a wealthy family. This situation also ends up reinforcing inequalities.

Mrs. Caroline Desbiens: It empties out communities.

Tell me about your solution. I know you talked about community licences, so give me a bit of an explanation about what that might do.

Mr. Gabriel Bourgault-Faucher: I'd say that there are several possible solutions. I could come back to community licences, of course, but I'd like to point out that the owner-operator and fleet separation regulations play an important role in the Atlantic provinces to preserve the independence of fishers and promote economic benefits in the communities.

On the other hand, based on what I've also heard from others who have appeared before me, it's quite clear that the enforcement of these regulations needs to be strengthened, as it's not working right now. To avoid too much concentration of fishing licences, it would also be appropriate to add certain criteria, such as monitoring transactions more closely and blocking those deemed abusive. There are certainly other regulatory mechanisms being studied to ensure a better distribution of licences and to promote the establishment of the next generation, such as by giving them preferential access to certain licences.

I also think the Department of Fisheries and Oceans should seriously look into the possibility of issuing community fishing licences, not just to indigenous communities, but also to non-indigenous communities. A pilot project could be run in different communities, which could be very interesting. Do we have enough time to talk about those licences?

• (1135)

Mrs. Caroline Desbiens: We don't. We'll come back to it, Mr. Bourgault-Faucher.

[*English*]

The Chair: Thank you, Madame Desbiens.

We'll now go to Ms. Barron for six minutes or less, please.

Ms. Lisa Marie Barron (Nanaimo—Ladysmith, NDP): Thank you, Mr. Chair, and thank you to our witnesses, who are here both in person and virtually today.

My first question is for Ms. Collier. It's so nice to see you here. It was nice to meet you at the Fisheries for Communities event a while ago now.

In your opening statement, you mentioned that every year it's getting harder to be a fish harvester, in particular in the last four to five years. You were talking about barriers like you've never seen before. I'm wondering if you could expand a little bit on the particular point that you made around seeing lease prices driven up so high that there is a financial incentive for owners to lease instead of fish.

Ms. Melissa Collier: I think the B.C. spot prawn fishery is a prime example of that. The leasing prices for that fishery in the last couple of years have been between \$40,000 and \$60,000 to access that licence. At the same time, in 2022, the overall coastwide fleet catch of spot prawns was in half. For that lease price to stay high, while the catch rate is going down, doesn't make a lot of sense.

At this point in time, instead of going out and fishing myself, taking the risk of fishing and possibly not catching enough prawns, and also taking on all of the financial burden of getting out on the water—my boat, fuel, food with inflation, the cost of everything rising, packaging, paying my crew, etc.—if I could just sit at home, lease that licence and earn that much money, that would be incredible. It's incredibly tempting to owners to access that, especially some of the older folks who are getting on in their careers. Rather than taking that risk, they can sit at home. Having a system that actually incentivizes that doesn't make any sense.

I firmly believe that if fishers were leasing to fishers, the leasing price would be more respective of what they could potentially earn from the fishery.

Ms. Lisa Marie Barron: Thank you.

My next question goes back to you, Ms. Collier. At the Fisheries for Communities event that we attended, I believe it was you who shared—and please correct me if I'm wrong—a discussion about the impacts, as an example, on Prince Rupert. There was some information shared about the impacts of local fishers and coastal communities being stripped of their livelihoods. In particular, Prince Rupert, which used to be a fishing hub to deliver, resupply and provide the basic amenities, such as showers and laundry, for commercial fishers is now seeing many of those resources dwindling. Was it you who spoke to that? If so, could you expand on that a little bit?

Ms. Melissa Collier: Yes, it was me who spoke to that. It was a reference to when my husband went up to Prince Rupert. It was in the off-season, in the sense that there wasn't a peak salmon run or anything happening. However, fishers now fish year-round, so he was up there fishing halibut with his cousin. They went in to shore, and they struggled to find basic services. The local plants were shut down for their laundry and bathroom facilities, as well as at the government wharf, due to a variety of reasons listed on their signs, including vandalism, the lack of salmon opportunities, and the cost to run those facilities. Boats like ours, for example, that don't have showers on them.... We're looking for those services. There are fishers talking online about other places within the community where you could try to access those services, but usually they were provided for the fishers at the docks.

It also extends into some of the marine supply stores. The main marine electronics store is no longer there, so they weren't able to get a marine antenna. Even the local fishing gear store had converted most of its stock over to sport fishing gear. There was very limited commercial gear. It just shows you that having the resources of fishers and fishing income go elsewhere is clearly not bringing funds and resources into the community, so much so that the entire community has changed and is no longer supporting fishers in its infrastructure the way it once did.

I have a little bit of context, as well. My husband has fished out of that port for many years, and he knew the names of the owners and could call the phone numbers to get parts waiting for him when he arrived at the dock. That's just not possible. You pretty much have to ship in most of what you need now; you can't get it locally.

● (1140)

Ms. Lisa Marie Barron: Thank you.

Following that question, can you expand a little bit on the impacts that you're seeing—as a local fisher and with your husband being a local fisher, as well—and that you can foresee on local food security?

Ms. Melissa Collier: Oh, absolutely. I think the pandemic has highlighted how reliant we are on other countries for our food security. Meanwhile, we have some of the best seafood in the country coming out of our own waters. As Ms. Strobel mentioned in a previous session, I believe the numbers are something like 90% being exported while 80% is imported. As for the imported seafood, we don't even really know what it is half the time.

We could just be supporting our own communities and our own food systems. I think it's incredible that we have all of this product coming out of our waters and going elsewhere and we're relying on other countries for food coming in when we could just feed each other, feed our own communities. I think it just parallels a lot what we've seen in the farming industry, as well—supporting our small, local farmers. I think we need to take some more action to support our local food industries, including our fishers.

The Chair: Thank you, Ms. Barron.

We'll now go to Mr. Small for five minutes or less, please.

Mr. Clifford Small (Coast of Bays—Central—Notre Dame, CPC): Thank you, Mr. Chair.

My first question is for Monsieur Bourgault-Faucher.

Does Quebec have a loan board to help finance fishermen with their investments in the industry?

[*Translation*]

Mr. Gabriel Bourgault-Faucher: The Quebec department of agriculture, fisheries and food has a program to help fishers purchase fishing boats. Beyond this provincial program that helps fishers acquire equipment, there isn't really anything else. Given that it's a federal jurisdiction, programs to support fishers come mainly from the Government of Canada.

[*English*]

Mr. Clifford Small: Mr. Chair, I have a question for Mr. Bourgault-Faucher again.

That loan board doesn't help finance buying licences and quotas. Is that correct?

[*Translation*]

Mr. Gabriel Bourgault-Faucher: To my knowledge, no.

[*English*]

Mr. Clifford Small: Okay.

Do you think it would help fishers maintain their independence if we had, say, a federal fisheries loan board that would be able to finance such licence transfers?

[*Translation*]

Mr. Gabriel Bourgault-Faucher: I don't know if a board to help purchase licences is necessarily what's needed. For instance, different regulations or mechanisms can be considered to oversee transactions or to keep the price of these licences artificially lower than their market value. Perhaps a board or direct financial support in the form of loans to fishers is also conceivable.

[*English*]

Mr. Clifford Small: Thank you.

I have some questions here for Ms. Collier.

In the 2019 report “West Coast Fisheries: Sharing Risks and Benefits”, there was a recommendation to have a fisheries loan board created. To your knowledge, has there been any movement towards that?

Ms. Melissa Collier: To my knowledge, no.

Mr. Clifford Small: If you had such a loan board, would it help fishermen maintain the independence that you so seek?

Ms. Melissa Collier: I think there's definitely a potential for it.

Currently, there are really only three ways to access a loan to purchase licences. You finance through your family, or you finance through the very limited number of banks that will actually finance a fishing operation, or you finance through a processing facility, in which case you are linked to that processing facility/fish buyer.

• (1145)

Mr. Clifford Small: In your opinion, Ms. Collier, do you think that the lack of such an institution leads to corporate concentration in fishing licence ownership?

Ms. Melissa Collier: I think it's a contributing factor because it makes it so that new entrants and current fishers have a harder time getting the finances to purchase licences.

Mr. Clifford Small: I also read in that report—it's from 2019 and I have it right here—that money flowing into reconciliation initiatives is inflating quota prices. Do you agree with that?

Ms. Melissa Collier: I don't have enough knowledge to be able to agree or disagree with that comment.

Mr. Clifford Small: Okay.

With the inflation of quotas, is it getting to the point where it's completely out of reach for new and small-sized fishing enterprises?

Ms. Melissa Collier: I would say, in some cases, absolutely.

Mr. Clifford Small: Okay.

Is this one of the factors in corporate concentration, the inflation in quota prices?

Ms. Melissa Collier: I personally believe so. I think the cost has become so challenging for independent operators that others are coming in to purchase those licences.

Mr. Clifford Small: And who would these others be?

Ms. Melissa Collier: They are either investors—we've seen people from urban centres purchasing boats and licences and then having some local operator operate the vessel—or fish buyers and first nations groups, which have also been purchasing.

Mr. Clifford Small: Thank you.

The Chair: Thank you, Mr. Small.

We'll now to go to Mr. Hanley for five minutes or less, please.

Mr. Brendan Hanley (Yukon, Lib.): Thank you.

Thank you to all of the witnesses for appearing today.

I want to go to Mr. Bourgault-Faucher first.

Monsieur, you described the relationship between DFO policy, in terms of efficiency, and transferable quotas as determinants in this increase in concentration. Now that you have this different regulatory climate and interest, do you see a connection with corporate control, and also with foreign ownership?

[*Translation*]

Mr. Gabriel Bourgault-Faucher: There isn't necessarily a link with foreign ownership, as the rules are the same for everyone, whether the investor is foreign or Canadian. At the same time, there are other policies, such as owner-operator protection and fleet separation. If these regulations are enforced properly, individual transferable quotas aren't necessarily a problem. Where it creates a bit of a problem is that these quotas become transferable, which gives them a market value.

Individual transferable quotas are a measure that has been adopted in various western countries. This has led to a surge in the value of these licences, which were previously granted to just about anyone who applied for them. Individual transferable quotas have sharply increased the value of licences, creating a movement in which some wealthier fishers have acquired licences from other fishers, in a spiral of concentration that has increased in recent years.

[*English*]

Mr. Brendan Hanley: Thank you.

Dr. German, you really have introduced a whole other area into these hearings, that of the role of money laundering and its connection to foreign ownership potentially. You did say in response to Mr. Hardie's question that money laundering can be a domestic or an international phenomenon. Are you able to describe or document a trend in foreign ownership in fisheries and a connection to money laundering?

Dr. Peter German: In our report, we did refer to one particular example that was in the media at the time. That was of an individual who had purchased a large number of quotas and was also a "whale" gambler in our casinos. Now, that's not to say this person was connected with organized crime. That's not a conclusion we could draw, but I would refer you to our report, if you're at all interested. It is freely available online. We talk about this particular individual, his ownership of fisheries-related companies and his involvement in the casino industry.

But, really, it's the unknown you're dealing with when you're dealing with money coming in from abroad. That's not just in fisheries; it's also in other sectors. We saw that in real estate. Where was the money coming from and what was its source?

• (1150)

Mr. Brendan Hanley: Thank you.

I have a minute and 15 seconds. I'm going to cede that to Mr. Hardie to continue.

Thank you.

Mr. Ken Hardie: Thank you, Mr. Hanley and Mr. Chair.

I'll go back to you, Dr. German.

We talked about the use of civil forfeiture. Is it fair to say that it should target licences, quotas and boats? I guess that's pretty much it, isn't it?

Dr. Peter German: Yes, civil forfeiture is really a way of taking back money that individuals should not have in the first place, but there is no criminal charge involved. We do have the Criminal Code. We do have provisions in the Criminal Code dealing with money laundering. Those should be enforced. Unfortunately, we're seeing spotty enforcement under our Criminal Code. As a result, the provinces have deferred to civil forfeiture. If you can show that people obtained licences through unlawful means, yes, you can use civil forfeiture.

Mr. Ken Hardie: Ms. Collier, I want you to picture yourself as being 60 years old. I know that's forever from now for you, but let's say you're 60 years old today. You have those licences. You have that quota. How would you feel about a transition to owner-operator who could see the value of their assets decreased quite significantly? Do you think that would happen?

Ms. Melissa Collier: If I were 60 years old and an owner-operator, I would be looking at having my children take over the business. For the price difference in it, I wouldn't be looking to sell. I'd be looking at having my children continue on in this lifestyle. The value of being able to sell wouldn't be on my mind necessarily.

The Chair: Your time is up, Mr. Hardie. It's gone a little bit over, actually. I'll catch you before you get a word out.

We'll now go to Madame Desbiens for two and a half minutes.

Go ahead, please.

[*Translation*]

Mrs. Caroline Desbiens: Thank you Mr. Chair.

Mr. Bourgault-Faucher, let's come back to community fishing licences. In what proportion would these licences have to be issued for them to have a real impact on communities? Would those with a concentration of licences be opposed to it? How do you see it?

Mr. Gabriel Bourgault-Faucher: Those licence owners may be opposed to it.

I'd like to clarify what I mean by that. I'm proposing that there be a pilot project. It would be exploratory, and the issue would need to be explored in greater depth. I don't claim to be an expert on this issue. In any case, it's a project that's never been done outside indigenous communities. However, what we do know about community fishing licences is that they put aquatic resources in the hands of the communities, which are then responsible for managing fishing activities and making business decisions in the public interest.

The fishing licences cannot be sold or acquired by individuals. These fishing licences are the property of the community. In this case, the fishers would be hired by contract by the community. The profits would be shared fairly according to the terms of the contract between the two parties, that is, the community and the fishers. The community would then decide where to invest its share of the profits. It could be in the development of its fishing activities or in another area, such as health, education, public services, transportation infrastructure, or housing.

So, the pilot project—

• (1155)

Mrs. Caroline Desbiens: This applies more to indigenous communities, but non-indigenous communities already have health care and services.

Mr. Gabriel Bourgault-Faucher: Yes, but the profits can also be invested in transportation infrastructure, housing or elsewhere in the community, for example. Existing local health services could also be improved.

In this pilot project, new licences should ideally be issued for emerging species or species on the move, such as lobster in Quebec, rather than targeting existing licences. This would avoid too much disruption to existing fleets.

Also, the management of these community licences should be strictly regulated to avoid abuses, whether in terms of awarding contracts between fishers or marketing catches. Sound management must be ensured if the system is to function properly.

Mrs. Caroline Desbiens: Thank you very much.

[*English*]

The Chair: Thank you, Madame Desbiens. You snuck in almost an extra minute out of it that time.

We'll now go to Ms. Barron for two and a half minutes, please.

Ms. Lisa Marie Barron: Thank you, Mr. Chair.

My question is for Mr. German. Thank you for being here.

I have a couple of questions and I'll try to get to them quickly. We had a previous witness talk about similarities between what we're seeing in the housing market, in particular in British Columbia, and what we're seeing in the fishing industry, in particular with seeing costs being driven up by speculation and foreign investments in the housing market. What are your thoughts on those similarities?

Dr. Peter German: I see it as a similarity, quite frankly.

We've imposed certain requirements on foreign purchases of real estate in British Columbia, and now federally. Why not do that with fisheries, as well—at least for a period of time—to see if that is a significant issue?

Ms. Lisa Marie Barron: Thank you.

You also spoke about the importance of transparency and understanding who the owners are and so on, in fishing.

I'm not sure if you're familiar with the survey that has come up quite a few times in this committee, but the survey went out to licence-holders. We know there's a difference between the licence-holder and the licence owner. I'm wondering if you have any thoughts around that and how it might impact the information that we're receiving and the efficiency of the information that we're receiving.

Dr. Peter German: I'm not familiar with the survey.

I'm a bit of a broken record. I would just emphasize again that shedding sunlight on an issue is the best way to deal with it, and that's the transparency issue. In order to ensure transparency, you have to know who ultimately owns what. That's really all I could say in response.

Ms. Lisa Marie Barron: Could you elaborate a little bit on what happens when we don't know who the owners are, and perhaps some solutions? I know you're going to be reiterating what you've already said, but reiterate what needs to be done.

Dr. Peter German: That's precisely the issue we had with the casinos in British Columbia. People were filling out forms and it just became rote after a while and no one was really looking past the paper and saying, let's delve into this. Where exactly did this money come from? What bank account? Can we trace this? Where is the ultimate ownership? Once we started doing that, all of a sudden the suspicious transactions plummeted.

I don't really see it any differently. That's why the Attorney General at the time said, let's take a look at other sectors of the economy, because we also know that if you clean up one area, people are going to move into another, particularly if you're talking about investors. These don't necessarily have to be the organized criminals themselves; these can be people somewhere in that chain.

It's not just organized crime money; it's also, as I mentioned, capital outflow. Lots of countries have currency controls. You can't bring money out of those countries, so people try to bring it out

through different investment means, and you also have tax evasion money.

The Chair: Thank you, Ms. Barron.

We have a little bit of time because we're trying to contact one of the witnesses for the next hour, so I'll go to Mr. Calkins for five minutes or less, please.

Mr. Blaine Calkins (Red Deer—Lacombe, CPC): Thank you, Chair.

It's great to be back at fish committee.

Mr. German, I saw you at the procedure and House affairs committee not that long ago. I'm a bit surprised to see you here under the same kind of conversation when it comes to foreign interference, even though the procedure and House affairs committee is dealing with it from the perspective of elections.

You mentioned boat sales and FINTRAC. Could you elaborate a bit more and give us an indication, and any examples that you might have, about people actually laundering money through the purchase or sale of boats? These are large fishing vessels and they're worth a lot of money. It would be quite the feat to pull that off. How does that happen?

● (1200)

Dr. Peter German: Yes, I was at the electoral interference committee. I'm just responding to notices that I receive. I was actually pleasantly surprised to receive one from fisheries.

The Attorney General and I have both referred to our system as really one of whack-a-mole. You try to regulate one industry to deal with the money-laundering issue, and then it moves somewhere else. That's why a universal system, such as the one they have in the United States, where all cash transactions over a certain amount have to be reported to their financial intelligence agency, to my mind makes sense. We don't have that in Canada. You have this whack-a-mole phenomenon where organized crime will move to luxury goods, say, if things are difficult in casinos, or to cannabis sales. They keep on going.

With regard to boat sales, people laughed to a certain extent when we talked about money laundering through luxury cars, but then in our report, "Dirty Money—Part 2", we looked at that phenomenon. I think we convincingly showed that organized crime was using luxury car sales to launder money. It was during that examination that we realized there were very similar parts of the economy where there was no reporting, one of them being boat sales. There's a lot of money tied up in boat purchases.

I can't speak specifically about fisheries vessels versus pleasure craft. We simply don't know. We don't know whose money is going into the purchase of boats, because it's not reportable. That's why I also noted earlier auction houses and so forth.

Mr. Blaine Calkins: I would imagine that the same thing is true for aircraft and other types of large-ticket items. Is that correct?

Dr. Peter German: That's correct. Aircraft are not, as far as I can recall, reportable either.

Mr. Blaine Calkins: Ms. Collier, you talked a little bit about what you're seeing on the ground in your community. It's beautiful out there on Vancouver Island. When you hear about a quota being purchased.... I've been out there many times, and I've met folks; there are first nations groups that are fishing their quotas and there are first nations groups that are not fishing their quotas.

What has your experience been lately? It's been a few years since I've been up there meeting with folks. When a first nation is buying a quota these days, are they typically fishing it or are they basically leasing that quota out to folks like you?

Ms. Melissa Collier: I don't have a lot of knowledge in that area. The knowledge I do have is that it depends on the band, but yes, in lots of cases you see those licences being leased out to non-indigenous fishers.

Mr. Blaine Calkins: When you go into the process of leasing quota that's available, you sometimes don't know who the ultimate owner of that quota is, do you?

Ms. Melissa Collier: That's correct. If you're leasing extra quota from a fish processor or a buyer, like we do all the time, I think it's really important to understand that transferable quota is critical for the economic viability of some fisheries. For example, with salmon, if you're given only 150 pieces, say, it's not economically viable to fish only 150 pieces. Therefore, fishermen will trade with each other or access extra quota through a processor. But if you do it through a processor, you don't necessarily know whose quota you're accessing.

Mr. Blaine Calkins: Mr. German, do we have any idea how much of our quota is actually owned by foreign state actors?

Dr. Peter German: I don't have any current knowledge, as it's not something I've researched recently, but we did reference public source material in our report in 2019 when we issued it.

The Chair: Thank you, Mr. Calkins. You have two seconds left. You'll hardly get two words out in that length of time.

Mr. Blaine Calkins: Thank you.

The Chair: We'll now go to Mr. Morrissey for a couple of minutes.

Mr. Robert Morrissey (Egmont, Lib.): I'm going to give my time to Mr. Hardie.

The Chair: Okay.

Go ahead, Mr. Hardie.

Mr. Ken Hardie: Thank you, Mr. Chair.

I'll go back to you, Ms. Collier. I really enjoyed your answer to my last question, so I'm going to ask you to speculate here.

There's no family involved. The family doesn't want to fish. Can you put yourself in the shoes of a current active fishing family that basically wants to dispose of their licences or quota, or their boat, for that matter? Can you describe a fair kind of transition that would ensure that the ability to fish ends up with people who are actually fishing?

• (1205)

Ms. Melissa Collier: The biggest problem right now that's facing that issue is the fact that licences are married. If you have a

couple of licences, as most owner-operators do, because you need to access multiple fisheries in order to make a living, they're married together. No new entrants can possibly buy a licensing package like that. I think that's the first step, because if you unmarry licences, then these individual licences could be sold to new entrants to access those fisheries, and you could sell off those assets to active fishers.

Mr. Ken Hardie: That was, in fact, a recommendation in the 2019 report.

The issue of a bank of licences and quota has come up. What would you say to one that's basically run by the federal government, where the federal government is the one that sets the price and leases it out or some kind of revenue-sharing agreement? Would that be workable?

Ms. Melissa Collier: I'm not too sure, to be honest. I'd have to really sit down and put some thought into how that could work. I think I'd need a lot more information on the framework of how it would operate to be able to say whether or not I think it would access.... The only things I can even reference now are some of the first nation licensing banks, and, just from hearing from fellow first nations, it's not working for them. I'd be hesitant to sign on until I understand exactly how it would work.

Mr. Ken Hardie: Very clearly, getting to what everybody seems to agree is a better system, which is owner-operator and fleet separation, may not be like unscrambling an omelette—we've used that analogy a few times—but you would have to agree, Ms. Collier, that it isn't necessarily going to be easy to keep everybody whole, given the current situation.

Ms. Melissa Collier: Absolutely not. I think it's going to be a substantial transition, and I think that's why a lot of people also talk about a made-in-B.C. strategy because of the way our current system works.

The process is going to have to be different from what happened on the east coast, but knowing that they had a seven-year transition to help make that work, I think something like that could work here if you have a slow transition to help all parties involved.

The Chair: Thank you, Mr. Hardie.

That concludes our first hour of committee testimony.

I want to thank the witnesses who have appeared here in the first part of this particular meeting. If they want to stay online to be able to answer more questions if anyone has any for them, they are more than welcome to do so.

We have one witness joining us in person for the second part of our meeting today. We haven't been able to contact the other witness, and we've been trying since early this morning, so we'll have to get him another day.

We'll suspend for a couple of moments just to get things straightened out for the next session.

Thank you.

• (1205) _____ (Pause) _____

• (1210)

The Chair: I think we're ready to get started.

I would now like to welcome our witness for the second hour. Representing the Canadian Council of Professional Fish Harvesters, we have Mr. Richard Williams, research director.

Mr. Williams, you have up to five minutes for your opening statement.

Mr. Richard Williams (Research Director, Canadian Council of Professional Fish Harvesters): Thank you, Mr. Chairman. Thank you for the opportunity to appear here.

I am the research director for the Canadian Council of Professional Fish Harvesters, which is a national human resources sector council for the fish-harvesting industry. The comments I'm making here, however, are my own views and opinions.

I've been working with the council since its foundation in the mid-1990s. We've been tracking economic performance, the labour market and labour supply trends in the industry since that time. I've been paying close attention to the fisheries on both coasts and what's going on in them. I've provided you with a presentation that has some numbers in it about comparing the socio-economic outcomes of the industries on the two coasts. I won't go into the details; maybe we'll have time for discussion around that.

Basically, fishing incomes in the fishery in British Columbia have grown since the great recession. We're using tax filer data here up until 2019, before the pandemic. After inflation, incomes in the B.C. fishery did improve, but only at about a third of the rate of the east coast fishery.

The harvester workforce in British Columbia is the second-oldest, next to Newfoundland and Labrador, but much older than what we see in the Maritimes. We have an aging workforce and a paucity of young people coming into the industry. We have a situation where.... When we look at landed value issues and so on, one of the things that jump out at me from the numbers most dramatically is that in the Atlantic region the total harvester income—income earned from fishing employment and contributing to local economies in the Atlantic region—represents 37% of total landed value. That share of the total value of the fish being landed remains with harvesters in their communities. In British Columbia, the proportion is 29%, significantly less. If there was the same proportion of total landed value being returned to fish harvesters as employment income, there would be an increase of \$6,000 in the average income of fish harvesters in British Columbia. It's just one measure of how the fisheries are structured. The different licensing systems and industry structures produce very different socio-economic incomes.

Mr. Hardie referred to the omelette, the famous omelette. I'll make the argument that we don't have an omelette situation here; we have a failing policy system that needs to be fixed. Questions, I know, have been raised in previous testimony about whether that can be done or how it can be done. There is no cheap and easy way

to do it. We're pretty far down what I believe to be the wrong road, so there's no easy way to get back.

However, there are two simple, straightforward models that we can see in operation in other regions, other countries, for fixing it. The obvious one is the PIIFCAF model, where DFO's minister issues licences every year. The minister has the authority to simply say that over a fixed period of time—seven years in the PIIFCAF case—all those licences have to be in the hands of working fish harvesters. That sets in place a market process whereby licences and quotas will change hands. People who aren't working harvesters will have to find buyers at prices that buyers can afford, etc.

The second option is a different ownership or licence structure altogether. We can see this in Maine in the very successful lobster fishery or in the very successful small-boat inshore fishery in countries like France, in Europe, where the licences are not tradeable commodities. The fish harvesters don't own the licences. They have long-term use of them through either just granting procedures or leasing arrangements, etc.

Similar to a PIIFCAF kind of time period, we could, in British Columbia, go through a process whereby all licences return to the ownership of the Crown and then are made available to working harvesters on either a lease-to-own basis or a leasing basis at affordable lease rates. I can go into some detail about what that might look like financially.

• (1215)

There are, however, two caveats around either of these kinds of approaches to solving this problem. One is that neither option will work unless harvesters are able to buy licences and quotas at fair market value for a working fish-harvesting enterprise. At the moment, most licences and quotas, certainly in British Columbia, are not trading at fair market value from the perspective of having to pay for them and finance them as a working harvesting enterprise. So—

The Chair: Thank you, Mr. Williams. We've gone over the allotted time, so we'll go to questions now. Hopefully, anything you didn't get to include will come out in the line of questioning.

We'll now go to Mr. Small for six minutes or less, please.

Mr. Clifford Small: Thank you, Mr. Chair.

Thank you, Mr. Williams.

Mr. Williams, you mentioned the high price of licences and quotas. What's causing the inflation? It seems like the inflation in the fishing licences is one of the issues behind what's happening in terms of people thinking that there's corporate concentration. Why are these licences being priced so high?

Mr. Richard Williams: I've been watching this for over 40 years. I see this a little differently than some of my friends in the fish-harvesting industry and so on. I believe that the biggest driver of licence and quota price increases is the value of the fish in the water. There is a rising global demand, and the opening of markets and the free trade agreements that we've seen over the last 20 or 30 years have created a whole new fishing economy, in which we now have fairly effective conservation regimes in most of our important commercial fisheries.

That means the supply of fish to the market is not going to grow dramatically, because we try not to threaten the sustainability of stocks. We have a fixed quantity of product, generally speaking. There are some ups and downs with different species, but we have a fixed quantity of seafood that goes to a market in which there is rising demand. There is significant growth in the number of consumers and in the willingness of consumers to pay for seafood becoming a high-quality food product and becoming, in many environments, a luxury food. We've all heard about the expanding middle class in China and all of these factors.

The fundamental is that the fish in the water is more and more valuable. That, in turn, has generated the interest of speculative investors to try to get control of an asset that's going to keep growing in value. When you take a long-term view.... We're going through a tough year right now, and people can say, "oh, we're in big trouble", etc., but when you look at it over 20 or 30 years, it's a really good investment to own access to a fish quota or fish licence. Anybody would want to do that if they're a small investor.

The whole process of keeping licences and quotas in the hands of working harvesters faces a whole lot more challenges than it did 20 years ago, when people didn't see the fishery as a growth sector. It's a time in which I think we—

Mr. Clifford Small: Thank you, Mr. Williams.

In this report from 2019, "West Coast Fisheries: Sharing Risks and Benefits", it was identified that loan boards would help new entrants and smaller harvesters gain better access to the fishery. Given what you've just said, do you think that would really be a factor, if we had these loan boards? Would they be able to keep up with the inflation in these licence prices?

• (1220)

Mr. Richard Williams: The point I was trying to make is that we have growth in the fair market value of the enterprise, and then we have amplified or inflated growth because of speculative interest in gaining that access. If we were to eliminate or dramatically reduce the speculative investor—or the illegitimate investor, in these terms—then it makes sense for an investor, whether it's a bank or a licence board or whatever, to support a harvester who's qualified and who has every opportunity to run a successful business and to purchase that enterprise at fair market value, because in the medium to long term they'll be able to sustain the investment. Yes, there is a need.

The second caveat I was going to mention was.... First, we have to get to a situation where licences and quotas are changing hands at fair market value and, second, we need to have the financing mechanism available. In southwest Nova Scotia, for the last several years, the banks have been quite willing and able to do that, be-

cause the licence can be collateral to get the loan. The banks are providing that service. It seems to be going reasonably well, and others can comment on that, but I think that in a place like British Columbia, a specialized mechanism.... In a recent report we completed for ACOA, we recommended a serious look at Agriculture Canada's farm loan board, Farm Credit Canada, as a model that would work in the transition we are trying to make.

Mr. Clifford Small: In terms of these financing boards, how many provinces have these now in Canada for the fishing industry?

Mr. Richard Williams: Nobody has specifically a fishing loan board. New Brunswick and Nova Scotia have loan boards where they've integrated fishing, aquaculture and forestry work, I believe. Newfoundland runs its loan support through its small business programs—I believe that's the case—and certainly P.E.I. does that. The provinces have tended to merge these different loan processes. They still play a relatively small part in the financing of fishing enterprises. In New Brunswick, the credit unions are playing a fairly significant part.

Where the fishery is successful, banks and other loan agencies are prepared to invest. In B.C., where you have a broken fishery in which most enterprises are not highly profitable, it's much more problematic. That's why I think a specialized agency or institution is going to be needed.

Mr. Clifford Small: Do you mean a federal agency, similar to what we have in agriculture?

Mr. Richard Williams: In our ACOA report, we recommended a study of the federal government getting involved, in a parallel to the farm loan board, by doing it in partnership with the provinces that already have their....

By the way, in answer to an earlier question, Nova Scotia and New Brunswick do loan for the licences and quota, not just for the fixed material assets.

The Chair: Thank you, Mr. Small.

We'll go now to Mr. Kelloway for six minutes or less, please.

Mr. Mike Kelloway (Cape Breton—Canso, Lib.): Thank you, Mr. Chair.

Before I get into my questions, I just wanted to give a shout-out to the people of Nova Scotia. The ridings of MP Perkins and Lena Diab are being hit hard by fires out there. I want to give a special shout-out to the volunteer firefighters, who happen to be fishers, by the way, who are doing double duty.

Mr. Williams, you said there is no easy or cheap way to fix the issue. You highlighted PIIFCAF and the main examples in terms of approaches and systems. I wonder if you could take some time to unpack how this looks from your perspective. You talked about loan boards, and other people here have talked about them. Can we get to some ballpark in terms of money and where it would be best directed if the federal government, working with the provinces, looking to tighten things up, provided more clarity to fishers and provided more flexibility and adaptability in terms of fixing this issue, but at the same time provided more community wealth for fishers on the west coast and on the east coast?

• (1225)

Mr. Richard Williams: For clarification, are you asking where to invest?

Mr. Mike Kelloway: Yes. You talked about a couple of examples to follow on the west coast. I guess what I'm looking at is that we have a multi-layered problem. We've talked about it here. We'll talk about it in subsequent committee meetings. In terms of where those problem areas are—some of which you've highlighted—can you unpack those a bit more and talk a little about what type of investment...? I know there are no specifics, but what specific investments would be focused on tightening things up, if you will?

Mr. Richard Williams: Well, I can take one example. Questions have been raised about the idea of a transition process or a fair transition. I did look at the halibut fishery in British Columbia. At the moment, at the inflated rates driven by speculative investors, to buy halibut quota you pay from \$100 to \$125 a pound to get access to the quota. That would be lower if there was less speculative pressure.

There were seven million pounds of halibut landed in 2021, for a total quota value of \$700 million to \$870 million. That's what it would cost to buy, to own, all that quota. About 85% of that quota, according to recent research, is owned by non-fish harvesters, people who are not working fish harvesters—retired harvesters, companies or speculative investors. Basically, it would take \$600 million to \$700 million to buy that quota and take it out of the hands of non-working harvesters.

Who's going to pay for that? If we were to go through a PIIFCAF process, fish harvesters somehow or other would have to finance that purchase. That's why I tend to think more along the lines of government having the capacity to make a purchase like that. If they then establish community-based licence banks, or a provincial licence bank, or some other system like that, then fish harvesters, by my financial analysis, could access quota for about 30% of landed value, as opposed to the current 70% to 75% that they're paying from the current owners of that 85% of the quota.

Yes, I think it's a justifiable investment. It's a manageable investment for government to undertake. That's just halibut, which is the most lucrative fishery in British Columbia, but there are others as well.

Mr. Mike Kelloway: I appreciate the example.

You know, when we look across this country, we look at the fishery, but we also look at things like car manufacturing in southern Ontario, oil and gas in the Prairies and renewables elsewhere, where we make a lot of investments. A lot of the time we don't

think about the fishery in the same way, but I always say back home that for every small craft harbour in Atlantic Canada, that's a car manufacturing centre for that particular community. The wealth that it produces is insurmountable.

Mr. Chair, how much time do I have left?

The Chair: You have one minute and 15 seconds.

Mr. Mike Kelloway: Mr. Hardie, would you like to take my time, since you seem to be a popular fellow here today?

Mr. Ken Hardie: I have lots of questions.

Thank you, Mr. Kelloway, and thank you, Mr. Chair.

Mr. Williams, would we be able to avoid all of the machinations with a system that basically regulates the share of revenue from a fishery among the players?

Mr. Richard Williams: I'm not sure how that would be done. I know there have been proposals for a fair sharing arrangement around leasing costs to try to bring leasing costs within.... They don't seem to have gotten anywhere.

Mr. Ken Hardie: I'll leave that with you to think about. Maybe you can follow up with us as to how something like that might work.

The concentration of ownership of processors, through whom a lot of fishers actually lease their licence or their quota, must also be problematic. Should there be regulations that lessen that concentration?

Mr. Richard Williams: In my mind, the most meaningful and straightforward solution is simply fleet separation. Take ownership of licence quotas away from processors and not be involved in what proportion of the total fishery particular companies should have or could have, etc. Again, in the Atlantic region, we have big companies and we have little companies. Little companies are able to do quite well there because they can have their corner of the fishery and their fish harvesters, etc.

In British Columbia, we've just completed a research project in which we interviewed multiple working fish harvesters and also some small processors. What we found was that it's a jungle out there. The small processors are competing just as.... There's a level of competition just to have access to fish for harvesters and fish to process for processors. They're competing against the bigger companies that own more licences.

• (1230)

The Chair: Thank you, Mr. Williams. We've gone over time.

We'll go to Madame Desbiens for six minutes or less, please.

[Translation]

Mrs. Caroline Desbiens: Thank you, Mr. Chair.

We are allowed to question the witnesses from the first hour again, is that correct?

[English]

The Chair: Yes.

[Translation]

Mrs. Caroline Desbiens: That's right.

Mr. Bourgault-Faucher, in terms of timelines, if we don't act quickly, what impact could the status quo have on food sovereignty and coastal communities?

Mr. Gabriel Bourgault-Faucher: Thank you for your question.

I'm glad there's an interest in food sovereignty or, as it's more recently called in Quebec, food autonomy. In fact, it's a direction the Government of Quebec wants to take in terms of food more generally. Food autonomy includes food security.

I think Ms. Collier, the shrimp fisher, also stressed the importance of considering the aquatic resources of Quebec and Canada as food, not just as commodities. This could have an impact, among other things, on limiting the voracity of speculators, particularly abroad, with regard to these commodities. Considering the aquatic resources of Quebec and Canada as food to feed local populations is a key direction that should be taken by our governments.

This requires a completely different development model from the one we've been seeing in Canada for centuries and that we at the institute call the "extractivist" model. It corresponds to the raw materials economy referred to by Harold Innis, who passed away today and was very active in the 20th century. It was a seminal theory in Canadian economics. This model has been around for centuries in Canada, as we've seen with cod and now with shellfish, at least in Atlantic Canada. It involves the massive exploitation of one, two or three species that are then minimally processed before being exported.

Moving toward food sovereignty or autonomy therefore requires a complete review of this development model.

Mrs. Caroline Desbiens: What do you think would be a reasonable amount of time to do that and save the day?

Mr. Gabriel Bourgault-Faucher: Both from a socio-economic point of view, for community development, and from an environmental point of view, given the disruption to ecosystems, continuing to massively extract one or two species isn't sustainable, so the development model needs to be reviewed as soon as possible. Actually, if it could be done tomorrow, that would be best. If food autonomy could be achieved within 10 years, that would already be a great achievement.

Mrs. Caroline Desbiens: Mr. Williams, you mentioned community licences. From what you know and what you've told us, we need to focus more on buying back all the licences. Do you think this is feasible? Would the fishing industry accept this?

I would then like to hear your opinion, Mr. Bourgault-Faucher.

[English]

Mr. Richard Williams: No, it's not being accepted. On the Atlantic coast, there would be tremendous resistance to the idea of the licence not being an asset. I think it could be considered in British Columbia in the short term as a transition or as a strategy in a much smaller fishery that is not in as strong a position as the Atlantic fishery is right now. In a perfect world, I would see the Atlantic industry also considering this transition on a long-term basis.

I'm very concerned, with the continuing growth in the value of the licence, about how it will be possible in the future to maintain an owner-operator fishery on the Atlantic coast. That's in terms of

the cost, the value of the enterprise and the ability of the people who grow up in the community as working crew to ever own an enterprise. We've seen fisheries in the United States where it's long past the point where a working fish harvester could ever become an enterprise owner, just because of the value of the enterprise. I would like to see a consideration of—

• (1235)

[Translation]

Mrs. Caroline Desbiens: I'm sorry for interrupting you, Mr. Williams, but I want to save a bit of time for Mr. Bourgault-Faucher and so he can tell us whether it could be gradually done in Quebec or if some of the licences could be converted to community licences.

Mr. Gabriel Bourgault-Faucher: That's what I'm proposing: to test the model, while avoiding a disruption of the current order of things, start issuing the new licences that are likely to be issued in the next few years in the form of community licences.

That would anchor the fisheries in the communities, since the management of these resources is community-based. That would maximize and maintain the benefits in the communities. It could be an important driver for community development, which would improve the redistribution of wealth, since the community, rather than the fishers themselves, would be responsible for redistribution. That would also help establish the next generation because they would no longer need to buy licences, as the licences are held by the community. That would remove the barrier to acquiring a first fishing enterprise and make it easier for fishers to establish their fishing enterprise.

[English]

The Chair: Thank you, Madame Desbiens.

We'll now go to Ms. Barron for six minutes or less, please.

Ms. Lisa Marie Barron: Thank you, Mr. Chair.

Welcome, Mr. Williams. We're happy to see you here.

I'm wondering if you can clarify some of your thoughts. You were talking about the B.C. halibut example. You were talking about approximately 85% of quota being owned by non-fish harvesters and about the price to be able to pay that back. I have heard the thought from some that this is a public resource that's already overinflated and that huge profits have already been made.

Do you think there are other alternatives that could be looked at that don't just include "this is the exact amount that needs to be paid back", considering those factors?

Mr. Richard Williams: I don't think there could be any approach that didn't involve fair compensation. I mean, people who have built up their fishing enterprises have invested a great deal and are probably carrying a lot of debt, in British Columbia particularly. I can't imagine a transition process that wouldn't follow a kind of PIIFCAF model, where you allow investors to get a return and be kept whole through the process. If you're thinking of some idea of expropriation or.... No, I can't imagine another model that would be acceptable at the industry level or at the community level.

I'll stop there.

Ms. Lisa Marie Barron: Thank you for your thoughts on that. It is something that comes up quite frequently, so I was curious to know what you thought.

So, you do feel that it is quite affordable to have a repayment plan that does take into account the full amount, despite those profits.

Mr. Richard Williams: Yes. I'll just emphasize that when I raise the idea of a \$600-million or a \$700-million investment to take public control of the halibut quota, that's not an expenditure. That's setting up an asset that will then generate revenues to pay back the cost of the initial investment. I think it's a transition strategy for how to move it either into permanent community ownership of licences and quota or a government-operated approach, like an arm's-length corporation or a Crown corporation that could provide access to the fishery for people at the community level and so on.

It's not just an expenditure. It's an investment at the front end that gets paid back over time.

I did a similar analysis on the Atlantic lobster fishery. There, you'd be looking at \$7 billion to take ownership of the current licences at current average prices. It's a different scale of enterprise altogether.

• (1240)

Ms. Lisa Marie Barron: Thank you.

I have a copy of your slides here. I notice that on the last slide you go into details about the unintended consequences of a broken licence policy delivering poor socio-economic outcomes. Can you expand on that a little bit? I do think this is a key piece of this discussion.

Mr. Richard Williams: Yes. With the new Fisheries Act, the minister now has responsibility for socio-economic outcomes, or at least a power to consider those.

When you look at the west coast fishery, I describe it as a broken model from a socio-economic benefits perspective. We have continuing employment decline, and weak and insecure incomes in the industry. We have poor career prospects and a serious problem with intergenerational succession and labour supply in the future. We have coastal communities and first nations that are losing population and economic viability.

I describe the fishery as a growth sector everywhere, globally. The fact that it's failing in British Columbia is a policy problem, not a problem inherent in the fishery or the fisheries economy. I think we should see the same kind of contribution to developing middle-

class incomes in fishing communities that we are now seeing in the Atlantic region in a proper policy model.

Ms. Lisa Marie Barron: Thank you.

What are your thoughts on the current steps, or lack of steps, that have been taken since the 2019 report came out?

Mr. Richard Williams: I'm going to speak very bluntly. It's my opinion.

I've worked very closely with DFO in the Atlantic region. There are all kinds of issues. There are ups and downs. There are times when people get along. Overall, DFO regional offices in the Atlantic region support the policy model they're working under and they work constructively and respectfully with fish harvester organizations.

I do not see that happening in British Columbia. I see the Pacific region DFO as aligned with the investor interests. I see them as having not acted on the directions of this committee and its 2019 report. We've seen some delay and token efforts to consider some of the questions that were raised in your very powerful report. I think a major barrier to moving forward on this issue is that you don't have a working regional office that supports the policy direction of your government.

Ms. Lisa Marie Barron: What are your thoughts on the survey that's gone out as a point to increase transparency?

Mr. Richard Williams: I agree with the observation that the question doesn't generate the answer that people were trying to get as to who actually controls licences and quota in British Columbia.

As I mentioned, we just completed some pretty intensive research at the enterprise level into how licences and quotas are owned and controlled. It's chaos in British Columbia. It's an unregulated system in which every possible kind of arrangement is made by people trying to stay in the industry and trying to find a way to keep fishing, despite lower incomes. All kinds of external influences and investors are able to get involved and have deleterious impacts and so on.

Compared to the Atlantic region, where every harvester with a core licence knows they have a career, in British Columbia every guy with a boat and maybe a little bit of a licence doesn't know whether they have a job this year.

The Chair: Thank you, Ms. Barron.

We'll now go to Mr. Arnold for five minutes or less, please.

Mr. Mel Arnold: Thank you, Mr. Chair.

I'm glad we have the other witnesses here. I would like to turn to Melissa Collier.

During this study, we have heard that in Atlantic Canada the harvesters often don't get a choice of where they can land their product, so they are bound to a certain processor. Do you know of any cases on the west coast where independent harvesters have had difficulty either obtaining services or offloading their catch as a result of the concentration of service providers or processing?

Ms. Melissa Collier: No, I'm not personally aware of fishers having a hard time landing their catch, but that's just me personally.

• (1245)

Mr. Mel Arnold: Okay, thank you.

Mr. Williams, will any form of management, control or restriction of licences and ownership of quota be effective if there's no control over the ownership of the processing and market access and no transparency in that?

Mr. Richard Williams: I'm sorry. I didn't—

Mr. Mel Arnold: If we were able to put measures in place to control the ownership of licences and quota, would that be effective if there was no management or no transparency around the concentration of processing and market access?

Mr. Richard Williams: I would have to say yes, because in the Atlantic region we are seeing dramatic concentration in the processing sector. That, in and of itself, in my view, hasn't resulted in greater concentration or change in ownership structure in the harvesting sector, because of, again, an effective fleet separation policy.

Mr. Mel Arnold: Do you believe that fleet separation is retaining freedom, if you want to call it that, within the independent harvesters? That's different from what we have heard anecdotally here.

Mr. Richard Williams: Yes, I think there are situations where bigger companies are more aggressive in trying to find ways to influence or control how licences are used to fish, or where fish is sold and to whom, etc. There are those relationships, but I don't think corporate concentration at the processing level at this point in the Maritimes—I think Newfoundland is somewhat different—is a major factor in changing what happens at the harvester enterprise level.

Mr. Mel Arnold: Mr. German, you mentioned in your report from 2019 that there would be a vetting of individuals and the source of funds. Can you explain how that might work? Is that even possible? How elaborate would the system have to be in order to vet who the beneficial owner or buyer is?

Dr. Peter German: It doesn't have to be overly complex. Due diligence is performed by companies everywhere all the time in terms of whom they deal with. There are firms that do due diligence in determining who owns a company and what their source of wealth is.

It doesn't have to be a complicated process, but I do see it as an essential process, particularly when we're talking about the investor group that Mr. Williams has referred to.

Mr. Mel Arnold: Thank you.

I will go back to Mr. Williams.

You referred just a moment ago to differences in Newfoundland around concentration. Can you explain a little bit what you were referring to there?

Mr. Richard Williams: It seems anecdotal, and some of the witnesses you have heard here have said that some companies there are much more aggressive in terms of penetrating control over licences and quota, particularly in the snow crab fishery and so on. Largely it seems that's happening.

Again, I'm saying it's anecdotal; I haven't researched this. It seems to be happening through the kind of financing arrangements in which harvesters are able to maintain their operations and so on, but I can't speak with real confidence on that.

Mr. Mel Arnold: I have just one comment, and I think Mr. Steinley would agree with this one. If this type of foreign ownership concern was happening within our agriculture sector, I think we would have possibly a lot bigger alarm bells going off, and it's concerning that it's happening here.

Thank you.

The Chair: Thank you, Mr. Arnold.

We'll now go to Mr. Cormier for five minutes or less, please.

[*Translation*]

Mr. Serge Cormier (Acadie—Bathurst, Lib.): Thank you Mr. Chair.

Mr. Williams, I'm pleased that you said earlier that crab fishing licences in Atlantic Canada, and especially in my region—the Acadian peninsula—are now worth \$10 million, \$15 million or \$20 million. Lobster licences are worth \$1 million and more. For the younger generation of fishers, it's becoming very hard to buy such licences.

I'd like some clarification on this point. You said that the lobster industry in Maine uses long-term contracts for licences and that the licences don't belong to the fishers. How does that work? What happens to the licence of a fisher who retires, for example? Does the licence go back to the government to be assigned to someone else?

• (1250)

[*English*]

Mr. Richard Williams: The licences are redistributed. In the French system, there is a list of qualified harvesters, by seniority, who've worked as crew, who've come up in the fishery and who've grown up in fishing communities. When a licence becomes available, the next qualified person within a region or district has access to the licence.

They have to pay licence fees, which maintains the overall system for sustaining the administration of the licensing system, but they don't have to buy the licence. Because no one ever had to do that, it's not a barrier to people getting into the industry and so on.

Mr. Serge Cormier: Okay. Thank you.

Mr. Chair, I will give the rest of my time to Mr. Hardie.

Mr. Ken Hardie: Thank you, Mr. Cormier.

I'm going to do a little bit of recommendation writing on the fly here. We know that DFO seems to have muffed that questionnaire. They didn't ask the right question to get the answer we needed. What would you say if, on a particular day, we say, one, no more sales to foreign interests, and two, all sales have to be done according to the beneficial ownership regime that should have been set up before now?

It's really simple. What do you think?

Mr. Richard Williams: I believe the UFAWU, the fishermen's union in British Columbia, has made exactly that request to the minister. The minister has authority. The minister issues licences and has a significant amount of control over whom they issue them to and therefore what should be known about the person they're issuing them to.

I'm not a lawyer, personally, but I can't imagine there would be a problem with doing exactly as you proposed, on January 1, 2024.

Mr. Ken Hardie: Okay.

I want you to rewind the PIIFCAF story a little bit. My concern is that if there's a substantial change to the way the free market system is allowed to work—i.e., not so much a free market system—a lot of people who own licensing quotas now could be severely disadvantaged. Was that the experience in the PIIFCAF process? Did people see their nest egg reduce in value simply because the regime changed?

Mr. Richard Williams: I've never heard a reference to that. I'm not aware of any incident where someone came forward with an appeal to say that it grievously damaged their economic interest. Again, the idea of the seven years was that there was sufficient time for people to recover their investment and to sell their licence off without ending up in a negative position financially. I'm not aware of any considerations of the kind you mentioned.

Mr. Ken Hardie: How much time do I have left, Chair?

The Chair: You have 50 seconds.

Mr. Ken Hardie: That's great.

You know, when you look at the situation today, if somebody wants to lease quota, they go to a processor and the processor says, "We can get our hands on this much quota. It's going to cost you this much, whatever you get at the dock." It's like the old Tennessee Ernie Ford song *Sixteen Tons*: "Another day older and deeper in debt". You and I are old enough to remember that one. Maybe a few others are as well.

How do we break that? We've talked about the transition to owner-operator, but getting there is still going to be somewhat difficult. The 2019 report suggested that everything up for lease, the licences and quotas, be on a board somewhere. It's more of a competitive process: willing buyer, willing seller. Could that kind of system work even if the financing was done through a processor?

Mr. Richard Williams: Yes. I've not heard fish harvester leaders in our region challenge the idea that processors would be allowed to help finance the fishermen who fish for them. That's a long tradition, as long as it doesn't happen within the context of a controlling interest in the enterprise or a controlling agreement.

To go back a step in your question, though, your 2019 report absolutely nailed the right approach here. British Columbia is unique, and the situation is so complex—in my view, it's chaotic—that with a full licence policy review, a substantial engagement process, you're going to need a made-in-B.C. plan. No expert can come here and tell you exactly how to do it. You're going to have to go out and—

• (1255)

Mr. Ken Hardie: Should we throw in the DFO—

The Chair: Thank you, Mr. Hardie. You've gone over. You're not sneaking any more time out of that.

We'll now go to Madame Desbiens for two and a half minutes or less, please.

[*Translation*]

Mrs. Caroline Desbiens: Thank you very much, Mr. Chair.

Mr. Bourgault-Faucher, when talking about individual transferable quotas, you said that they weren't necessarily inadequate, but that they had greatly increased the value of licences and led to some concentration of ownership. What is good about these individual transferable quotas then?

Mr. Gabriel Bourgault-Faucher: What is often suggested to justify this approach is the stewardship of fishery resources by fishers. It brings fishers closer to managing these resources and contributes to their concern for maintaining and reproducing stocks. It creates a responsibility for the fisher because the individual transferable quota associates a quota with a fishing licence. In the past, quotas were general, fishing was competitive, and so there was less individual responsibility for these resources. That may be the good thing about individual transferable quotas.

The more negative aspect is that these quotas do increase the value of the licences, which results in higher prices and the concentration of licences that we currently see.

Mrs. Caroline Desbiens: All things considered, could individual transferable quotas be converted to community licences?

Mr. Gabriel Bourgault-Faucher: That would be worth considering. I think Mr. Williams pointed that out. The cost of buying back these licences would be significant. There could also be resistance from fishers. It's something to think about before moving forward on a large scale toward community fishing licences.

That's why I'm instead proposing a pilot project to issue new licences, and to move forward in stages to see if it's a system that works well. We can already draw on certain experiences with indigenous communities and use them as inspiration to assess whether this could be considered for other non-indigenous communities.

Mrs. Caroline Desbiens: Thank you.

[*English*]

The Chair: Thank you.

We'll now go to Ms. Barron for two and a half minutes or less, please.

Ms. Lisa Marie Barron: Thank you, Mr. Chair.

I'm finding myself reflecting on the comment by MP Hardie acknowledging that DFO muffed the survey. With that acknowledgement, I am curious to know what the minister is going to propose as next steps.

[*Translation*]

Mrs. Caroline Desbiens: Mr. Chair, there is no interpretation.

[*English*]

The Chair: Could you try again, Ms. Barron? We'll restart the timer.

[*Translation*]

Mrs. Caroline Desbiens: Everything is working fine now.

[*English*]

Ms. Lisa Marie Barron: Thank you, Mr. Chair. I hope my time will not be taken. I want to make sure that—

The Chair: I reset the time. Even though you went over a couple of times today, I won't penalize you for that.

Ms. Lisa Marie Barron: There you have it.

I was just acknowledging the comment about the survey having gone awry and wanting to find out from the minister what next steps will be taken in light of this general knowledge around the table now that this was the case.

My question is similar to Mr. Hardie's. I'm trying to put together recommendations to the government on next steps, so I really want to reaffirm the most vital information we should be having in these recommendations.

Mr. Williams, can you share with us the number one thing you think needs to be included in our recommendations to the government, in the hopes that we'll see some traction in the right direction?

Mr. Richard Williams: Implement your 2019 recommendations for a full licence policy review to develop a made-in-British Columbia fleet separation policy—it's always talked about as owner-operator, but to me the critical thing is fleet separation—with full engagement with all the interest groups and stakeholder groups involved, first nations, etc.

• (1300)

Ms. Lisa Marie Barron: Thank you.

Ms. Collier, do you have any thoughts around the number one recommendation that we should be including on licensing policy on the west coast specific to foreign ownership?

Ms. Melissa Collier: I agree with Mr. Williams. I think the primary thing is fleet separation and stopping the foreign ownership, and the policy review. I honestly don't think I could have said it better than Mr. Williams did.

Ms. Lisa Marie Barron: Thank you.

Finally, Mr. Bourgault-Faucher, do you have any thoughts on a number one recommendation that you feel should be coming forward?

[*Translation*]

Mr. Gabriel Bourgault-Faucher: It would certainly be the suggestion to explore the possibility of issuing new community fishing licences to non-indigenous communities in Canada.

[*English*]

Ms. Lisa Marie Barron: Do I still have more time?

The Chair: You have 20 seconds.

Ms. Lisa Marie Barron: All right. Well, I'm going to give you back those 20 seconds. There you go.

The Chair: Perfect. Thank you, Ms. Barron, for that.

That concludes our witness presentation and our questioning for today. I know Mr. Arnold has an item he'd like to raise, so we'll deal with that before we actually adjourn.

Mr. Arnold, go ahead.

Mr. Mel Arnold: Thank you, Mr. Chair. I think I can be quite brief here.

We had previously requested that Global Affairs Canada appear at the committee to answer questions during today's meeting. The clerk circulated the response from Global Affairs to the second request. In that response, Global Affairs did not agree to accept the committee's invitation to appear. I believe the committee needs to hear from Global Affairs Canada and have a chance to question them to inform our work on this report.

As such, I have a motion. I move:

That the committee issue a third request for Global Affairs Canada officials to appear for the committee's study of foreign ownership and corporate concentration of fishing licences and quota to provide testimony and answer questions regarding Canada's commitments related to foreign investment under the auspices of Canada's international trade and foreign investment protection agreements.

The Chair: All right. Is everyone in favour and okay with that?

Some hon. members: Agreed.

The Chair: Okay. That's done.

I want to say thank you to our witnesses today for appearing and sharing their knowledge with the committee as we go through this report. It was very informative and very good to listen to, as well, and to see the difference between the east coast and the west coast, and the rules.

Have a good week, everyone, and we'll see you on Thursday.

The meeting is adjourned.

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