

Down Home No More?

Ending decades of neoliberal policy, the new Liberal government of Canada aims to restore the protection that fishermen have lost to foreign corporate interests

Big changes are in store for Canada's fisheries as the new Liberal government turns its attention to supporting independent fishermen and ending decades of policy drift and creeping corporate control over its coastal fisheries. The broad scope and ambition of the government's agenda for the fishery were outlined in a major speech to the national fishermen's federation in late July by the Honourable Dominic LeBlanc, Canada's Minister of Fisheries and Oceans.

In his speech to the Canadian Independent Fish Harvesters' Federation, the Minister announced a broad range of initiatives—changes to Canada's fisheries legislation and its regulations; stricter enforcement of existing policies; support for young people wanting to enter the fishery; and a review of licensing policies—all aimed at ensuring that fishermen and their local communities benefit first and foremost from the fishery.

The measures announced are a thoughtful and detailed response to long-standing demands put forward by the country's independent fishing fleets, most recently and insistently by the Federation whose members gave the Minister several standing ovations during the speech, to underscore their support for his announcements.

The scope of the Minister's intention is comprehensive and far-reaching, and meant to arrest and reverse decades of surreptitious corporate control over coastal fisheries officially reserved for independent owner-operators. Taken as a whole, the measures would restore a clear sense of purpose to Canada's fisheries, linking them to the equitable socioeconomic development of Canada's coastal fishing

communities—a link lost over recent decades as the Department of Fisheries and Oceans retreated into a narrow conservation focus and introduced market-driven fisheries management measures like individual transferable quotas (ITQs) in many fisheries without consideration of their socioeconomic outcomes for fishermen and their communities.

To begin the change process, the Minister said he intends to be “unyielding and relentless” in pursuing and holding to account those who break long-standing policies regarding the prohibition of corporate control over inshore fishing licences and, astonishingly,

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acknowledged that in the past, the Department had been “willfully blind to what was happening” in terms of corporate control.

Social objectives

On the legislative front, the Minister said he intends to bring changes to the Fisheries Act and its regulations to affirm “the ability of the Fisheries Minister to consider social and economic objectives in administering the Fisheries Act” and go even further, by explicitly prohibiting arrangements giving corporations and other entities control over licences that are contrary to the government's social and economic objectives for the fishery. These intentions are hugely significant in

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the Canadian context because they would remove any ambiguity regarding the scope of the Minister's authority to make rules over licensing, which the corporate sector has been insidiously suggesting was limited to conservation measures.

Lastly, the Minister announced his intention to engage in consultations on a licensing review to make Canada's fisheries licensing system fairer, starting from the principle that a fishing licence provides privileged access to a public, common-property resource. The goal of the review, LeBlanc said, is to ensure that "the benefits of the fishery go to those who work hard to prosecute it, and the communities that support them."

The Minister's speech was astounding to an audience long accustomed to Fisheries Ministers, unfamiliar with their portfolio, delivering words fed to them by departmental officials intent on protecting the inertia of departmental direction. While respectful of the civil service, the Minister's speech clearly indicated that he will be providing, not taking, direction from the Department on the changes he wants to see happen.

The speech was all the more significant because LeBlanc is a powerful, senior Minister in the Trudeau cabinet, fully capable of delivering on his change agenda in

a government elected to bring about real change.

Moreover, he has a strong personal interest and commitment to a holistic approach to fisheries policy as the son of a former fisheries Minister and Governor General of Canada who is still revered in fishing communities because of policies he introduced in the 1970s to keep fishing licences in the hands of fishermen in fishing communities.

Government attention to the social and economic objectives for its fisheries cannot come soon enough for Canada's owner-operator fisheries and the small coastal communities that rely on the fishery for their very existence since Canada's coastal fisheries are booming. The landed value of Canada's Pacific and Atlantic fisheries reached Cnd\$3.2 bn in 2015—an increase of 75 per cent from 2010, while exports reached Cnd\$6.6 bn in 2016, up 68 per cent from 2010. Most of this value is generated by Canada's lobster, crab and shrimp fisheries, the first two fished almost exclusively by owner-operators based in small, isolated rural communities where the fishery is the dominant economic activity.

The abundance of lobster, in particular, has increased spectacularly in recent years, fuelled by a changing ecosystem and climate. Unusually, the increases in lobster supply have been accompanied by increases in price, as Canadian exporters have tapped into the growing Chinese demand for high-quality wild fishery products.

Chinese demand has diversified the outlets for Canadian fishery products from the traditional United States (US) market, and boosted prices to all-time new highs. The value of Canada's coastal fisheries has not gone unnoticed by investors, particularly foreign ones. Thai Union, in particular, has made major investments in Canadian lobster, acquiring a Canadian processing plant—ironically called *Les pêcheries de chez-nous* (Down Home Fisheries) and Orion Seafoods, the main distributor of Canadian crab and lobster into the US market, followed

RUTH INNIS



Lois is one of the first women to be an active deck fish harvester in coastal Nova Scotia. Lois has fished since 1982 with her husband

by a 25 per cent share of the Red Lobster restaurant chain.

Different Chinese companies have also acquired lobster processing facilities in Nova Scotia, Canada's largest lobster producer, for direct live and processed lobster shipments to China. In Canada's Pacific fisheries, where government policy allows fishery access privileges to be freely traded, an estimated Cnd\$150 mn in licence and quota value has changed hands in the last year, largely fuelled by foreign capital.

Most of this investment activity is happening without government scrutiny or oversight, which is unusual, given traditional government concerns over foreign and corporate investments in other Canadian sectors considered strategic, like oil and gas, agricultural production (dairy, poultry and eggs), potash and, increasingly, real estate in key urban markets like Vancouver and Toronto.

Most worrisome to Canada's community-based independent fleets is the fact that investors, both foreign and domestic, are surreptitiously gaining control over their coastal fisheries through these purchases and other, more opaque, initiatives. For example an ad recently appeared in a newspaper distributed in Canada's most productive lobster fishing areas seeking lobster licences for foreign buyers, a process which is illegal.

The most egregious case to be made public is that of Royal Greenland, a fishing company owned by the Government of Greenland that recently purchased Quin-Sea Fisheries Ltd., a large Newfoundland fishing company with five processing plants and accompanying fishing licences and quotas. Included in the assets of Quin-Sea was at least one 'controlling agreement' over an inshore crab licence—precisely the type of agreement which is not allowed under existing policy and which the new Fisheries Minister has vowed to eliminate.

To protect its investment, Royal Greenland challenged in a Canadian court the Minister's authority to invalidate its control over the licence. The ruling, which came in



Father and son, Gordon and Dylan Beaton, fishermen both, lifting a bait box. After decades of neglect, change is on the horizon for Canada's fishing communities

May, unequivocally affirmed the Minister's authority to issue and deny licences based on socioeconomic considerations. The ruling is very significant as it clarifies the wide scope of the Minister's authority, which will be made even clearer with the changes to the legislation being proposed. The fact that a company, owned and controlled by a foreign government, would have the audacity to challenge Canada's ability to shape its fisheries-access rules to benefit fishermen and fishing communities is alarming and speaks of how badly Canada's public policy for its fisheries has deteriorated.

After decades of neglect, change is on the horizon for Canada's fishing communities, and it may come in time to protect the huge community stake that remains in its coastal fisheries, and restore what has been lost. This is an evolving story that is worth following. ♣

For more

<http://fed-fede.ca/>

The Canadian Independent Fish Harvesters' Federation

https://www.canada.ca/en/transport-canada/news/2017/05/governmentof_canadaintroducesnewmeasurestoensurecanadaisbetter.html

Government of Canada Introduces New Measures to Ensure Canada is Better Equipped, Better Regulated, and Better Prepared to Protect its Marine Environment and Coastal Communities

<https://sencanada.ca/Content/SEN/Committee/361/fish/rep/rep03dec98-e.htm>

Privatization and Quota Licensing in Canada's Fisheries

<https://sencanada.ca/content/sen/committee/362/fish/rep/rep03dec98part1-e.htm>

Questions of Privatization and Quota Licensing in Canada's Fisheries