

# Downloading the Death Knell?

## Negotiating Capital, Resource and Reason in B.C. Fisheries

A Study of the Social and Economic Effects of Individual Transferable Quotas in  
Fisheries Management on the North Coast of British Columbia

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### *A note on language...*

‘Fisher’ and ‘fishermen’ are used interchangeably through out this report. I recognize ‘fisher’ to be the gender-neutral term however both the men and women who participated in this project referred to others and identified themselves as ‘fishermen’.

Sleep now, my darling, sleep,  
Sleep now on my breast;  
This is what you are dreaming;  
“Hold me, nurse me and love me,  
That I may grow strong  
And be a good man,  
Then like my fathers,  
Go to the streams for fishing.”

Na Du – Na Du Du (lullaby)  
Copyright 1925  
Lullaby of family of Tralarhoet of Gitikes (Nass River)  
On display at Museum of Northern British Columbia

## **Introduction**

This report focuses on the social and economic effects of individual transferable quotas (ITQs) in fisheries management on the North Coast of British Columbia (B.C.). Findings are the result of research conducted in Prince Rupert, B.C. in June of 2006. Upon arrival in Prince Rupert, the aim of this project was limited to documenting ‘the social impacts of ITQs.’ The subject matter of interviews however confirms the impracticality of attempting to separate the social sphere from the economic in the lives of North Coast residents and fishers. In short, the aim of this paper is to present an accurate account of participants’ knowledge, experience, and perceptions of life and work on the North Coast in relation to ITQs, and to articulate a better understanding of the social and economic issues linked to the implementation of ITQs in B.C. fisheries.

### **ITQs – Function and Effect**

Individual quotas are a fixed share of the catch allocated in advance to individual operators (Copes 1986). They are a fundamental shift in the way we think about and manage common property resources. McKay (1995:3) describes quotas as “part of the process of enclosure of the oceans, one of the important institutional changes of the twentieth century.” The goals of quota systems in fisheries management are 1) to prevent or slow down the ‘race for fish’ and 2) to reduce excess fishing and fishery overcapitalization. Quotas are also an excellent way for government to pass management costs and responsibility on to industry.

The transferable component of ITQs allows quotas to be bought, sold or traded like shares on a stock exchange (Ecotrust 2004). This quality allows “outsiders” to

purchase quota and rent it back to active fishermen, which requires “working” fishermen to rent the privilege to fish a “private” yet “publicly-owned” resource (Senate Report 1998). Because of this quotas are considered a form of resource privatization however it is access to the resource, rather than the resource itself, that is considered private property.

Several B.C. fisheries are managed under a quota system including halibut, herring, groundfish trawl and three shellfish fisheries. The Department of Fisheries and Oceans (DFO) is currently developing a controversial plan to implement ITQs in Pacific salmon fisheries as well. According to policy-makers, quotas repair a fishery from economic ruin, which is how the Pacific salmon fishery has been described, to one that is economically viable (see Pearse and McRae 2004). It has become evident that rescuing a fishery from economic ruin through the implementation of a quota system has severe social and economic consequences (see Ecotrust 2004 and Butler 2004). These consequences are the basis for this paper.

### **Scope of Study**

This report pinpoints some, not all, of the economic and social effects of ITQs in fisheries management. A complete review of ITQ-impacts felt by North Coast communities and fishers is beyond the capacity of this research project. This is due in part to the enormity of any discussion based on the function and consequence of ITQs, and because many other factors besides quotas affect the fishermen and economy of North Coast communities.

Today there are few guarantees for North Coast fishing communities. Similar to fishing-dependent communities elsewhere, North Coast fishers, families and towns are accustomed to many shifting ecological, economic and political circumstances beyond local control. “Outside” forces such as climate change, fluctuating global fish markets and the interests of the larger political sphere are long-term and familiar concerns for B.C. fisheries-dependent communities. Nationally prescribed fisheries management schemes are also a source of tension and uncertainty largely beyond local control. Ultimately, North Coast communities and families are experiencing the cumulative effects of nearly half a century of fisheries management that more often than not adversely affect the quality of life and functioning of fishing communities and households. The poorly named Mifflin Plan of the mid-1990s is one example of this.

#### *The Aftermath of the Mifflin Plan*

The Mifflin Plan (also called the Pacific Salmon Revitalization Strategy) emerged from discussion at the Pacific Regional Roundtable Meetings in 1995. The Minister of Fisheries provided three guiding principles to direct discussion among fishers at the meetings. The principles are conservation, economic viability and partnership (or co-management). B.C. salmon gillnetters, trollers, and seiners attended the Roundtable, each gear type making their own recommendations regarding the future of Pacific salmon fisheries. Fishers made recommendations to the Minister of Fisheries at the time, Brian Tobin. Fred Mifflin was not present at the meetings and for good reason. Mifflin was an East Coast retired Navy officer, not a fisherman. But when Tobin stepped down as Minister shortly after the Roundtable, Mifflin replaced him, and just in time to have the

new fisheries plan named after him. A long time North Coast troller who attended the Roundtable describes the circumstances as follows.

“Ministers come and go, they get changed like dirty laundry. Mifflin knew nothing, the poor guy, and they named it after him. The senior bureaucrats just told him what to do, and those same guys are still there.”

Off topic but worth telling, the making of the Mifflin Plan introduces an underlying problem in the decision-making and consultative processes of B.C. fisheries policy that will be discussed below.

In order to reduce the fleet, the Mifflin Plan entailed B.C.’s second major government buyback. Half of the money used to buyback vessels and licenses however came from the fishermen themselves through extra licensing fees in years prior. A study conducted in 1998 (Gislasson 1998) reports the impacts noted below as products of the Mifflin Plan.

- Fishing vessels reduced by 1,383 coast wide.
- Crew jobs reduced by 3,095 coast wide.
- Fleet suppliers revenue declined by 32.4 million.
- 42 percent loss of community salmon jobs in Prince Rupert.

By 2003, the coast wide fleet was reduced by 50 percent. The North Coast bears the brunt of coast wide fleet reduction. The North Coast salmon resident fleet, which includes First Nations villages, declined by 75 percent (Thorkelson 2004a). First Nations villages, many of which have few economic opportunities beyond the fishing industry, are among the most vulnerable to the impacts of fisheries policy. Social and economic problems (e.g. higher unemployment and suicide rates) evident in many First Nations communities are cited by participants as linked directly to loss of involvement in the industry. Loss of involvement includes fewer boats and licenses (i.e. fewer fishermen)



and displaced shore workers; and increases dependency on social welfare. Employment opportunities in villages are often limited to jobs with the Band Office.

The story of the Mifflin Plan's bureaucratic origin was told to me on several occasions, always in relation to the adverse effects it had for B.C. fishing communities, and always in addition to similar stories of the Davis Plan and area licensing and weak stock management. In many cases, it is difficult, if not inaccurate to separate the effects of various fisheries policies and speak of each regime shift outside of the broader historical context. In short, individual quotas (IQ) are only the most recent link in B.C.'s controversial chain of fisheries policy.

*Project Parameters: What to Leave In, What to Leave Out*

In addition to ITQs in entirety and/or isolation, this project can not address all of the issues raised during the course of this research. There are many important facets related to fisheries policy and the social and economic livelihood of North Coast fishers that fall outside of this paper's primary purpose. For example, many participants identify reallocation of resource between the competing sectors of commercial, recreational and First Nations as a major source of concern and conflict. The Department of Fisheries and Oceans recently suggested that quotas are a solution to some problems surrounding reallocation, specifically reallocation of fish to First Nations to satisfy treaty negotiations between First Nations and government. Privatization of the salmon resource as a means to resolve problems of reallocation and treaty processes has been described by others as the "death knell" of the North Coast fishing fleet and continues to receive harsh criticism from both Native and non-Native commercial fishers. This paper refers to reallocation in the limited context of ITQs. The issues and problems surrounding the complexity of

reallocation between commercial, recreational, and First Nations can not be sufficiently addressed here. It is a topic for another paper.

Drawing from the dialogic interaction emerging in interviews and the repeated emphasis of particular issues, this report is loosely formatted around the three guiding principles of the Roundtable: conservation, economic viability, and partnership. This format permits me to focus on the social and economic components of ITQs without excluding other key issues, such as sustainability of resource. Some findings stray beyond social and economic parameters. The earlier argument noting the impracticality of separating the social sphere from the economic can be extended to the realms of environmental and political. There are no clear demarcations when it comes to the logic and artifacts of fisheries policy.

This paper concentrates on two overlapping points: 1) the unnecessary impacts of certain tendencies of quota systems in place in fisheries policy in Pacific coast fisheries and 2) the increasing costs and stresses of making a living at fishing. The latter point is due in part to DFOs downloading of management costs and responsibility onto industry (also called co-management). The following section is a summary of the methods employed over the course of this project.

## **Methods**

I conducted eleven formal interviews with individuals involved directly and indirectly with the commercial fishing industry. Eight of the eleven participants started fishing on the North Coast before the age of fourteen, all but one are still North Coast residents. Six of the eight fishers interviewed are still active, either as skippers or crew.

Participants include active and semi-retired skippers and active and displaced crew members who are, or have been, involved in several fisheries including salmon, halibut, shrimp, crab, rock fish and herring. Other project participants include representatives from the United Fishers and Allied Workers Union (UFAWU) and the Native Brotherhood, and a local fish buyer and local business owner, both with strong ties to the fishing industry (i.e. from fishing families) and the region (i.e. born and raised in Prince Rupert). Two participants are First Nations fishers.

Findings also reflect informal conversation with North Coast non-Native and First Nation residents, retired fishermen, local business owners, and active fishermen too busy getting ready for the season to commit to a formal interview, but willing to engage in casual conversation on the docks. There are several other individuals that I had hoped to speak with but was unable to. This is one of the pitfalls of doing fisheries-related research during the fishing season. The number of fishers available to participate in this project is a reflection of inconvenient timing. Given that I arrived in Prince Rupert near the start of the salmon season, the primary goal was the most challenging. It is a difficult task to first find and then persuade active fishermen, and industry-related workers, to sit down during the fishing season and discuss the viability and hardships of a fishers' livelihood.

### *Position and Perspective*

Another important consideration regarding the participants of this study deals with the relationship between one's position in quota based fisheries, whether privileged or disadvantaged, and one's perception of quotas. Not all of the fishers participating in this study have been negatively impacted by the implementation of ITQs, some have

benefited considerably. While no one I spoke with denies problems with ITQs or the demographic and economic circumstances conflicting North Coast fishing communities, those who have profited from quotas tend to downplay a link between the two.

For example, one very successful fisher who owns multiple licenses and quota and no longer resides on the North Coast does not view the lack of young people entering the fishery a function of ITQs.

“It’s not just a phenomenon with fishers or quotas, we’re all getting older. Plumbers are having the same problem. There are no young carpenters either. [Fishing] is no different than any other industry.”

Another quota holder acknowledges the general trend of people moving North to South, notably Vancouver and Vancouver Island, however out-migration was explained as a function of better climate and lifestyle changes, not ITQs. In addition to quotas, fishers’ experience and perceptions also depend on gear type. For example, salmon seiners, trollers, and gillnetters each occupy their own distinct niche in the industry. There is a difference between the three in terms of how they are currently situated in the industry and how they will be following the implementation of ITQs. Butler (2005) also notes knowledge differentiation between gear types.

Working with Prince Rupert fishers as well, Butler (2005) looks at issues of position more closely by examining variability in fishers’ knowledge in relation to perceptions of the 1998 Coho Crisis. Butler finds that variability in fishers’ knowledge is based on position in fishery. In short, fishermen’s perceptions of the Coho Crisis are largely based on ethnicity (Native and non-Native) and gear type. Butler’s example of the political nature of fishers’ knowledge is fundamental to this paper. How people

perceive and explain the impacts of ITQs is dependent on how ITQs affect their position. As one participant told me, “Everybody looks through a different pair of glasses.”

## **Findings and Discussion**

- **Economic Viability**

“[The halibut fishery] is easier to look after now, DFO doesn’t have to do anything. But it’s shame... the guys up here, this used to be a family show, not anymore... Stroke of a pen and 900 people lose their jobs, good jobs too, high paying jobs. (Prince Rupert halibut fisher, June 2006)”

Despite the above portrayal, the West Coast halibut fishery is often cited as a good example of how quotas improve the economic viability of a fishery. Halibut fishers able to remain in the fishery following the switch to quotas in 1990 are receiving a better price for halibut. Because quotas “end the race for fish,” the halibut season has been extended from a seven day season to a ten month season. Catching the annual supply of halibut in a seven day period depressed fish prices and restricted access to fresh markets. Nearly 95 percent of halibut caught pre-quota was sold frozen. The extended season, made possible by individual quotas, gave fishers access to a nearly year round fresh market. Nearly 100 percent of the halibut caught today goes to fresh market which guarantees better prices paid to fishermen. Halibut fishers are currently receiving \$4.00 a pound.

Despite improved market price and the luxury to choose when to fish, quotas in the halibut fishery have created serious economic shortcomings for North Coast communities and small-scale fishers. Many of the shortcomings are a product of the particular tendencies of fisheries policy in place on the west coast of Canada. Tendencies

include quota leasing arrangements, license stacking and failure to factor in crew shares in quota allocation.

*Leasing Arrangements and License Stacking*

It is the leasing of quotas, or what has been called “fishing for others,” or “fishing for wages” that has made it increasingly difficult for active fishermen, crew members and new or young fishermen to make a viable living in the industry. Many halibut fishermen were not allocated enough quota to make a living at fishing. Because of this, fishers have to either buy or lease more quota to remain active in the industry.

A pound of halibut quota sells for around \$35.00. North Coast residents, especially fishermen living on reserve who can not borrow against their homes, have difficulty raising enough capital to purchase quota. There is a marked difference between North and South Coast residents in terms of economic opportunities, especially winter-time employment, and access to capital. For example, the property value on the North Coast is much lower than Vancouver Island which puts North Coast fishermen at somewhat of a disadvantage in their ability to acquire more quota. Many North Coast fishermen, including First Nations fishermen, do not have access to the amount of capital necessary to purchase a workable amount of quota. Because of this, Prince Rupert, ‘the halibut capital of the world,’ has very few halibut fishermen left, and there are few to none halibut boats and halibut quota remaining in First Nations villages.

The other option for active fishers is to lease quota. Leasing arrangements have resulted in a significant reduction of boat and crew shares because arrangements usually guarantee that 50 to 75 percent of the value of the fish goes to the quota holder. In *Fishing for Peanuts or a Pension*, Butler (2004) notes that quota based fisheries have

come to be understood as an investment. There is little incentive for older fishermen, often referred to as “armchair fishermen” to fish or sell quota. It is more economical for older fishermen to lease quota to younger fishermen as part of their retirement plan, rather than fish it themselves or sell it.

Einar Eythorsson (1994) wrote about ITQs in Iceland as a situation referred to among fishermen as a “feudal system.” The new and young fishermen are the “tenants” while the quota holders are referred to as the “lords of the sea.” Iceland’s “lords of the sea” are synonymous to the rise of B.C.’s “armchair fishermen.” Due to leasing arrangements and the rising costs of fishing (discussed below), some fishermen who “rent the right” can’t afford to go fishing because their “wages” won’t cover the cost of the trip.

Seen from this angle, halibut is a successful quota fishery, but not for those actually doing the fishing. It is an economically viable enterprise for quota holders. It is a risky venture for working fishers who must now rent access to their livelihood. Active fishermen rent the right to fish, take the risks and foot the bill. Quota holders operate risk free and do not shoulder any of the management costs.

One young halibut fisher, who both owns and leases quota, told me \$4.00 a pound doesn’t look that good anymore after all the costs. “Each trip costs between \$1,500 and \$2,000 in fees to third party contracts in monitoring and validation. “Basically, he said, it’s like having a crew of ten to fifteen to pay after the season.” On a larger scale, it can cost about \$15,000 in expenses just to get set up to go on a halibut trip. Because quotas enable DFO to download costs onto industry it is the resource user, that is, the active fisherman, who pays for a significant portion of management costs. Costs include

mandatory onboard cameras at \$10,000 to \$15,000, plus up to \$1,500 per trip in viewing or observers onboard at \$500 a day, and mandatory log books at \$140. The price of food, fuel and gear is additional expenditure. The increasing costs “managed” by the industry, paired with leasing arrangements make it uneconomical for many small-scale fishers and family fishing operations to leave the dock. The question now becomes not whether or not quotas are an economically viable way to manage a fishery, but who quotas are economically viable for.

Another condition of quotas is the stacking of licenses. License stacking allows skippers/license holders to take their quota aboard one vessel and fish together. As a result, there are 430 halibut licenses on the West Coast fishing on 150 vessels. License stacking enables license holders to cut back considerably on operating costs. Stacking also forces a significant portion of professional crew members out of the industry with little to no assets. For example, four skippers who decide to fish one boat displace roughly twelve crew members.

### *Displaced Deckhands*

Unlike Alaska’s quota based fisheries, B.C. did not factor in crew shares during the initial dividing and allocating of quota. Nearly every participant in this study stressed that the disregard for crew members’ input in the fishery is an unnecessary failure of the system. The process and outcome of the decision to exclude crew members’ shares is highlighted in the following statements.

“The failure in quota fisheries is that nobody put any limits on crew share. That’s the thing that should’ve been put in place. It should have been pre-determined at a reasonable level, crew shares should be factored in. Originally fishermen had a social conscious. They worked shoulder



to shoulder on deck with these guys, you wanted to treat them good, but not too good. (Halibut fisher, Vancouver Island)”

“Deckhands were a legitimate entity. They had proven their professionalism but ended up with nothing. I know guys on boats for over twenty years that lost their jobs over quotas. It happened all the time. They could’ve protected deckhands and given crew a small percentage of the quota, but the only people invited to the table were documented license holders, crew was never seriously considered. (Halibut fisher, Prince Rupert)”

“Vessel owners were at the table, that’s it. There was no representation from crew or union, and a lot of guys got greedy... But as a crew member, we did very well, I would’ve been retired now. It used to be the better the crew, the tougher you were, the more money you made. Then they fired us all and sold the boat. It was always on a share basis, now they’re [license holders] hiring kids at \$100.00 a day. Nobody went fishing for wages back then. I will not fish for halibut anymore. I will not work for 1/10 of what I used to make... I made a wonderful living, I had a wonderful life as crew. I love my fishing, but I won’t go for free. In the old days I got a salmon check, a herring check and a halibut check, and that was my life. (Displaced crew member, Prince Rupert)”

“In Alaska, the crew got a percentage, they got recognition. There were no safeguards put in to protect the crew or the fishermen [in B.C.], and now no one can find a good deckhand, well, yeah, because you screwed them so bad who wants to get in the industry? (Fish buyer, Prince Rupert)”

Dialogue surrounding displaced deckhands usually intersects with dialogue of how difficult it is to find trained deckhands today. No one disagrees that it is difficult to find trained deckhands. No one wonders why either. It *is* difficult to find qualified crew willing to “work for peanuts (Butler 2004)” as it has been called. One participant who started fishing when a license cost \$10.00 acknowledged that, “if we were paid the same way deckhands are now, none of us would be in the fishery.” The above remarks introduce another problem plaguing B.C.’s commercial fishing industry: the lack of young people entering the fishery.

**Next in Line: “We’re Not Taking it With Us.”**

*“I don’t really want my kids to go fishing.”  
(First Nations salmon fisher, Prince Rupert)*

“I remember when I was sixteen years old in 1956. We couldn’t wait to get out school and start working, the amount of work that you wanted. There was no reason to leave here, and now, now there’s nothing for the kids.”

In 2004, the Canadian Council of Professional Fish Harvesters (CCPFH) reported that perceptions of opportunities in the fishing industry are poor and within fifteen years there could be a lack of qualified fishermen (Industry Snapshots 2004). The absence of young people entering the fishery is due in part to the meager “wages” paid to crew due to leasing arrangements. Quota speculation and the increasing cost of licenses also act as barriers to new entrants. For example, as a result of quota speculation and the new integrated rockfish plan (to be discussed below), a rockfish license jumped from between \$40,000 and \$75,000 to \$260,000 and \$300,000 within the last year. Young people do not have access to the amount of capital necessary to establish themselves in the fishery. In B.C., 69 percent of all license holders are over the age of fifty-five. Several participants stress that they discourage their children, and other young people, to participate in the fishery.

“Fishing used to get these kids through University. Do you know how many doctors and lawyers and Indian Chiefs made their living off of fishing? Nowadays when I see young kids down on the dock I go down there and tell them, get your ass out of here, there’s no way you’re going to make it at fishing.”

One successful troller (who earlier denied quotas deter or prevent young people from entering the fishery) remarked, “We’re not taking it [quota] with us when we go... it’s got to go somewhere.” It is that “somewhere” that worries many. With fewer and fewer

young people willing and able to enter the industry, there is real concern among North Coast residents and fishers of corporate take over. Many participants stress that if B.C. quota fisheries continue to operate under the current system, corporations will be the only entity capable of purchasing quota (due to ready access to capital). Putting quota in corporate hands ensures their place at the decision-making table and leaves active fishermen at the mercy of policies driven by power, not logical practice. This transaction also comes at the expense of coastal communities and the small-boat fleet who become alienated from a resource they can no longer afford access to. In addition to the above, participants also note that leasing allows quota to be passed down to children who aren't fishermen. Many participants support owner-operator provisions (non-transferable quotas), which would prevent this trend from recurring.

The sum of the situation is that the money made in B.C. fisheries does not end up in the pockets of B.C. fishermen. As a result, many active fishermen, some of which are 3<sup>rd</sup> and 4<sup>th</sup> generation B.C. fishermen, do not want their children to be fishermen. This section has highlighted the transferability of quota and the stacking of licenses as two tendencies specific to Pacific Coast quota fisheries. Neither stacking nor leasing are permitted in East Coast fisheries. Their inclusion in West Coast policy has created unnecessary economic hardships for North Coast communities and fishers. The following section shifts gears to discuss how the implementation of ITQs converges with conservation measures.

- **Conservation**

The U.S. National Research Council (1999) reports that quotas are an economic tool, not a conservation tool. A more recent report by Ecotrust (2004b) supports this

claim and argues that IFQs (the F stands for fish) actually compromise long-term conservation for short-term economic efficiency.

“As part of their attempts to privatize fishery resources, DFO has established co-management agreements with exclusive groups of license and quota holders, which has increased the influence of these industry stakeholders. Conservation groups, communities, First Nations and labor interests are marginalized, since fisheries management becomes increasingly focused on maximizing the narrow economic returns of license and quota holders.”

Included in the above excerpt is a serious critique of “co-management” that resonates through out this paper. DFOs partnership with “chosen” industry stakeholders appears to be a potential conflict of interest regarding sound resource management practice and the economic well-being of exclusive groups. The conservation flaws apparent in quota-based fisheries include quota busting, poaching and increased frequencies of high grading and mortality shakes.

#### *High Grading and Mortality Shakes*

A recent article in the Anchorage Daily Newspaper in Alaska reports an increase in high grading (throwing back small fish) among Bering Sea crabbers. The 2005/2006 season is the first year Bering Sea crabbers have operated under a quota system. Crabbers dumped a reported 677,000 legal-sized red king crabs that they normally would have kept. This is over 24 times the amount dumped in seasons prior to IFQs. The unwanted crabs were worth 15 million dollars at market. Individual quotas gave boats the freedom to high grade. Skippers had the luxury to fish more slowly and in safer weather, and to hunt for the newest and prettiest shells, which are worth more at market (White 2006). Although based in Alaska, this example captures the inclination to high grade in quota fisheries. Prince Rupert halibut fishers cite high grading as having occurred in the West Coast halibut fishery. Paul Sprout (1997:22) acknowledges high

grading as a problem area that needs to be resolved prior to the implementation of salmon quotas.

There is a price differential paid for different sizes and qualities of product and therefore there is a potential for salmon high grading to occur. If an IQ system were to be introduced, the incentive to discard smaller, less valuable, fish would increase. A means of addressing this problem needs to be found.

Mortality shakes are another source of conservation concern. Mortality shakes occur once a boat has reached its quota limit on a particular species. The boat then has to “shake”, or discard, that species, typically by-catch (non-directed catch), for the remainder of the season. For example, if a fishing vessel has 50,000 pounds of halibut quota, it is allowed to catch 3,000 pounds of yelloweye. If the boat reaches its quota limit for yelloweye prior to its limit for halibut, it has to shake all yelloweye caught the remainder of the season. The new Integrated Rockfish Plan is an attempt to reduce mortality shakes and high grading, but comes with considerable costs (and stress) for active fishers.

#### *The New Integrated Rockfish Plan*

The new Integrated Fishery Management Plan seeks to manage the total rockfish catch through ITQ management to ensure the total allowable catch (TAC) is not exceeded for any species, especially yelloweye, shorttraker, and roughey (Grove 2006:9). The plan creates new problems for fishers, especially halibut fishers who often catch rockfish as bycatch. The plan allocates rockfish quota in five different areas versus one coast wide quota. This feature requires fishers to pay a “quota broker” to aid in the complicated task of trading quota (buying and selling) between areas. Permanent transfers would solve this problem, but they are not currently permitted. Paraphrased, the

following account, told by a lifelong Rupert resident and industry worker, identifies other shortcomings in the new scheme.

“You have to count every single fish and record it in a logbook, including how many you shook or discarded because they were too small. [When you deliver your catch] a monitor at the dock counts the number of fish, halibut and rockfish. Then Archipelago [the company hired by DFO under third party contract to install and monitor mandatory onboard cameras] reviews some of the film to compare against logbooks. If your numbers in your logbook are wrong by 10 percent when compared to the film Archipelago reviews more of the film, which is another expense to the fisherman. And the battle begins. It’s a major expense to have the video reviewed and Archipelago is never wrong. Every tape they review they make money off of, it’s caused a lot of ill feelings. There’s been so many complaints this year that DFO says there will be no viewing expenses until they talk to industry...

This plan is making it quite interesting. The skipper now hauls gear *and* keeps count of what they are bringing in, in his head [so that he can record it in the logbook later on]. Active fishermen are annoyed with the integrated plan. I don’t know what they [Archipelago] expect. They don’t realize fishing conditions, the stress, the long hours fishing during the day, and the long hours at night filling out the logbook. Some fishermen will work with it, some can’t or won’t... If you’ve got a small quota, say 10 to 30,000 pounds, you don’t want to deal with this, you either sell to the bigger operators or lease out your quota. It’s changing the way they fish. Halibut fishermen are fishing fewer and fewer spots because they don’t have enough quota to cover the rockfish they’re going to catch. And you can see the enthusiasm drain from the crews’ faces as they’re pulling in. Is it the fish we were targeting? Do we have too much? A full net isn’t necessarily a good thing anymore. If you have an overage [of any rockfish species] you have to cover it before you can go fishing again.

Fisheries consulted with “arm chairs” and ZN license holders [black cod license holders], they gave to consideration to the other guys out there. DFO came up with it and they forced it on industry. Some of the caucuses went along with it. They say they represent industry. They looked after themselves and made themselves more valuable. The other fishermen woke up too late. They put the wrong type of people in to represent the fleet. And that trading broker, he was on the Board talking to the Department pushing for this plan.”

George English, a ZN license holder quoted in the most recent *Fisherman Life* magazine (June 2006), is concerned that costs for monitoring and managing the new system could put many small-scale commercial licensees out of business. The Hartley Bay fisher feels the new system will encourage many fishermen to consider staying home and leasing their quota (Grove 2006:9). English reinforces Butler’s (2004) earlier argument of quotas acting as an incentive for some not to fish. A halibut fisher I spoke with, who was in the midst of sorting out his end of the season costs for “trading” rockfish quota had the following to say about the new integrated fishery.

“Halibut is managed coast wide, rockfish is managed area. We’re seeing smaller halibut because everybody is staying in the same spots to avoid catching cod. That’s putting more stress on smaller areas. Everybody is kind of dancing around out there trying to find the right size. I’d like to see permanent transfers, sell what you need, buy what you need and carry on.”

In addition to conservation concerns, the example of the new plan serves several purposes. To say the least, an integrated fishery makes fishing more stressful. Fishermen are under pressure to carry out “exemplary harvest practices and record-keeping (Grove 2006)” on rough seas where decisions often need to be made quickly. Put simply, the fisher always has to be right. How would the situation differ if DFOs track record were put to the same level of scrutiny?

The new plan is an illustration of the increasing costs and responsibility passed down to industry. As of December 2005 hook and line fishermen are required to pay for the added expense of 100 percent at-sea mandatory monitoring. Fishers have two choices, onboard cameras or onboard observers. The latter is not always an option for smaller boats. The new plan also draws attention to flaws in decision-making processes, including “co-management” and “consultation” with industry.

- **Partnerships**

Who's at the Table

*“How do decisions get made? They get made the same old way, behind closed doors, by invitation only.”*

Most, if not all, of the economic and social issues presented in this paper are the product of decision-making processes that do not take into account the needs of coastal communities. Partnerships and cooperative management tend to gloss over, rather than remedy, the underlying structural problems guiding fisheries policy. In short, decisions are made by politicians and bureaucrats who know nothing about fishing. Dr. Copes, Professor of Economics, supports this view in his critique of decision-making processes. “Most of the fisheries economists are desk-bound individuals who do not know the intricacies of the fishery. That explains their uncritical acceptance of ITQs in many cases (Senate Report 1998).”

Several participants reference the Mifflin Plan to highlight fundamental flaws in government attempts at ‘partnership’ and ‘co-management.’ The Roundtable Meetings were described to me as “something that could have been a wonderful process. It was democratic in nature, but the end result was a perversion of recommendations made by fishermen. DFO just did what they wanted.” The New Integrated Rockfish Plan



followed similar suit. The people “at the table” represent the interests of few. As a result, policy tends to cater to power and wealth, characteristics that most North Coast fishermen do not use in self-description. In short, the interests of small-scale fishermen are not fairly represented.

*The Cost of “Co-management”*

*“Government wants to reduce their costs and get out. It’s very clearly going in that direction.”*

When I mentioned this project to a political leader in Rupert, he was very interested in the outcome because, “DFO has a very clear socio-economic mandate to follow in order to implement policy change.” Unable to find any sort of mandate, I followed up with a phone call to his office. I was told that if anything that comment was in reference to “consultative processes.” Consultative processes which can translate into “we rented a hall in your community.” A Kitkatla community leader identified with this form of consultation and offered another first-hand example in which consultation is synonymous to “being said hello to in the hallway.” The following excerpt is a quintessential example of consultation on the North Coast.

“Look at the Pearse-McRae Report, the report on quotas, that process was by invitation. No series of open meetings, no hearings. All of those missions are behind closed doors, no debate in the fleet, limited consultation. Pearse came up and talked to the Native Brotherhood, and that’s the only group he talked to on the whole North Coast. And the only reason he came up here was because it was the North Coast’s turn to hold the Convention that year. Pearse came up here found out the Brotherhood was opposed to quotas and left. That’s the only example of consultation done on North Coast.” (UFAWU representative, Prince Rupert)

Like the term “consultative processes”, “co-management” can translate into the downloading of costs on to industry. Fishermen “co-manage” largely through bearing the cost of management. Fishermen take on more financial responsibility however their

authoritative clout remains stagnant. The first step in any attempt at partnership or co-management requires a shared understanding between all groups of what these concepts imply. Until then, it is likely that no amount of “partnership” will improve decision-making processes and/or fisheries policy to a meaningful degree. The needs of coastal communities and the welfare of working fishermen will continue to fall under a neglected agenda.

## **Conclusion**

“Rupert’s a funny place; this town was essentially founded on fish. It was an end of a railroad with delusions of grandeur of sort of becoming a huge international port. One hundred years later we’re coming to maybe see that actually happen, but in the mean time it’s been that fishing industry that’s provided the basis for the wealth of this town itself and the region as a whole.”

“These younger fishermen don’t know the good old days and it’s a good thing. It’s not good to know the good old days. I had my first boat before the age of twenty. Between the late 1960s and the 1980s we had it really good here, because it *was* really good here.”

Everybody talks about what Rupert once was. Embedded in each conversation is the central role the fishing industry plays in the economic and social stability of the North Coast. This final section discusses the role of the industry in Prince Rupert and some of the perceived community-wide impacts of policy in general, and ITQs in particular. The implementation of quotas in the salmon fishery and recommendations made by participants conclude.

“We’re the key that starts the economic engine. On a good [fishing] year, the car dealer did really well here. This place [Rupert] has had a few bright years.”

Rupert’s bright years have faded considerably. Declining population, triggered in part by fewer job opportunities, is cited frequently as evidence of the declining condition of the region. According to participants, out-migration is selective in two ways – those

who can afford to relocate down South (e.g. wealthy fishermen), and those who can no longer afford to stay in their home community (e.g. young people, especially young people from First Nations villages who leave to find work).

“There’s no work here now, people don’t even make enough money to qualify for Unemployment Insurance. There was always work in Rupert ten years ago. I was never without a job here. Last winter was the first time.”

The state of the fishery is not the only factor contributing to Prince Rupert’s declining population. The closure of the pulp mill also resulted in population loss. Other factors such as lifestyle changes, better climate and better educational opportunities for one’s children are also cited as push factors, however the majority of participants identify the fishing industry as a major force of demographic change.

Focusing directly on the role of the fishing industry, a local accountant gathered information from fish plants regarding the economic value of fishing in Prince Rupert (see Appendix A). The survey, composed by Odd Eidsvik and Associates, put a dollar amount on what the fishing industry actually contributed to the local economy. Findings place fishing at the top of the list in terms of wages paid out.

“Everybody thought the pulp mill was the most important thing in town. The fishing industry produced more money in Prince Rupert than the pulp mill did with the island, the coal terminal, the wages paid out by the port and to the longshoremen, the City Hall wage payments and the school boards wage payment combined. The fishing industry by itself outweighed all those people and everybody thought the fishing industry was just this little thing down on the side here and that’s what I was trying to prove. And that’s why I did the survey. The fishing industry produced some of the largest employers in Prince Rupert.”

Eidsvik and Associates attempted to resume the survey in 2003. Out of twenty-five fish plants requested to participate, only three responded. Increased confidentiality is one possible reason for the poor response rate.

## **Pacific Salmon Fisheries: Are Quotas the Answer?**

“I’m dead against quota in salmon. The purpose of quota is to download costs onto industry and ease transfer between groups. But quotas are fishermen driven. The bigger players in the fishery want to go to quota. Those “quota boys” figure wrongly though. Quotas will not affect the minister’s power to choose how to allocate between user groups... Quotas? Yeah, they’ll work, but who are they going to work for. Quotas will benefit the fishermen who don’t want to compete, those who want to lease and have no intention of fishing, or those that want to come up early and then go fish tuna.”

The issues presented above need to be taken into account during the discussion of salmon quota implementation. B.C. salmon fishers are highly skeptical of DFOs ability to effectively manage salmon stocks under a quota system. Even proponents of salmon quotas recognize that the unpredictable nature of the salmon run makes it difficult, if not impossible, to accurately set a sustainable total allowable catch (TAC). Setting a sustainable TAC is the cornerstone of fisheries conservation measures. Dr. Pearse, who rejected quotas for salmon fisheries in 1982, acknowledges that the dynamic nature of the salmon stock “makes it impossible to allocate IQs in advance with any degree of certainty.” Given the above concerns, DFOs reasoning in the negotiation of capital (economic viability) and conservation seems more of a trade off than counterpart. Every participant expressed serious concern in DFOs management abilities and the transition to quotas in salmon.

“DFO is not capable, politics gets into it, it’s all about votes running from Ottawa, they’ll screw it up. You go in there [DFO office] and there’s some little guy sitting behind a desk dreaming something up. The left hand doesn’t know what the right is doing. If DFO was a private business, they wouldn’t be allowed. If you want to talk about privatization, that would be an area to privatize.”

Many B.C. salmon fishers do not feel that DFO can manage the salmon fishery any more successfully under a quota system. Likewise, most do not feel quotas are the answer to problems currently plaguing B.C. salmon fisheries. The current problem (also known as weak stock management) is a problem of access to resource, a problem that can not be remedied by shifting to a quota system.

“The things that are in the way are things that aren’t going to be affected by quotas. The problem is not that there isn’t enough fish out there, you got 17 to 55 million coming back to the Fraser this year. It’s that we can’t catch the god damn fish. If you’d let us catch it we’d be fine. Quotas aren’t going to solve the problem, access to resource is. Even if we go to quotas we still won’t get one fish more. The problem with the industry is there are a lot of fish out there and we’re not allowed to catch them.”

It is unclear how the salmon fishery will be more effective or economically viable under a quota system. The salmon season can not be extended like the halibut.

Sprout (1997) asks two critical and largely unanswered questions regarding quotas in the salmon fishery. Firstly, he asks whether we could introduce an effective quota system to Pacific salmon fisheries and, in relation to some of the social issues discussed here, he asks whether we should. Sprout identifies key issues including but not limited to, high grading, employment, increased management costs, quota speculation, and allocation as areas requiring attention prior to implementation. There has not been an explicit response from government regarding plans to correct and/or avoid many of the byproducts of quota based management.

### **Recommendations**

In closing, some of the effects of quotas can not be avoided. Fleet reduction and loss of jobs triggering less money and wages brought into fisheries-dependent communities are inherent qualities of the system. Other impacts however have created unnecessary economic and social hardships on the North Coast. These impacts could

have been avoided if safeguards were written into policy. Depending on one's position in the fishery, participant recommendations range from 1) owner-operator provisions, or non-transfer 2) non-stacking 3) recognition of crew members shares, and 4) a 50/50 split between quota holder and working fisher. A 50/50 split would spread the wealth and risk more evenly between quota holder and working fisher. All of these recommendations reduce the negative impacts of quota based management schemes without dismissing quota system entirely. If Pacific salmon fishermen shift to quota based management, these recommendations should be taken into account.

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## **Appendices**

### Appendix A

Survey of Economic Value of the Fishing Industry in Prince Rupert

### Appendix B

Interview Transcripts

# Appendix A

## Survey of Economic Value of the Fishing Industry in Prince Rupert

Odd I. Eidsvik, F.C.A.  
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October 1, 1999

The Members  
 Prince Rupert Chamber of Commerce  
 P.O. Box 158  
 Prince Rupert, B.C. V8J 3P6

Dear Members:

**Re: Survey of Economic Value of the Fishing Industry in Prince Rupert**

We have again completed our survey of the fishing industry's economic activities in Prince Rupert and Port Edward. The results of the survey for 1997 and previous years are shown below:

	<u>AMOUNTS PAID TO FISHERMEN</u>	<u>WAGES PAID TO FISH PLANT EMPLOYEES</u>
1997	\$115,743,000	\$ 17,766,300
1996 (amended - see note below)	197,793,000★	26,482,721
1995	132,659,534	27,852,278
1994	122,733,697	20,899,247
1993	103,996,250	29,412,200
1992	92,640,286	24,282,247
1991	72,619,000	29,400,000
1990	98,300,000	28,500,000
1989	87,900,000	27,400,000
1988	133,055,000	27,253,000
1987	85,100,000	24,450,000
1986	76,000,000	28,800,000
1985	54,000,000	29,000,000

The amounts above do not include the monies paid out by the fishing companies for supplies and services during the year.

★Note: The amounts paid to fishermen is larger in 1996 for the following reasons:

- a) Amounts paid by same fishing companies as 1995 \$142,390,750
- b) Other fish purchases not included in previous years \$ 55,402,250

The amounts shown above were given to us by each fish company on a confidential basis and we thank each of the participants for their co-operation.

Yours truly,

Odd Eidsvik, F.C.A.

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**Appendix B**  
**Interview Transcripts**  
(see CD files)