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Chair

Mr. Tom Wappel

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• (0935)

[English]

The Chair (Mr. Tom Wappel (Scarborough Southwest, Lib.)): I call the fisheries committee to order. Thank you, everyone, for coming.

We have two formal orders of business. The first formal order is that we neglected to pass a particular motion at the last meeting, which has been a traditional motion of ours on this fisheries committee, pertaining to the appearance by ministers and television.

[Translation]

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): I move that the Clerk of the Committee be instructed to endeavour to have all meetings televised whenever a Minister appears before the Committee. This is a routine motion.

[English]

The Chair: If at all possible, any time a minister appears before our committee, the committee meeting will be televised. Mr. Roy is proposing that.

Any discussion?

(Motion agreed to)

[Translation]

The Chair: Thank you, Mr. Roy.

[English]

The second order of business is the first report of the subcommittee on agenda and procedure. The first report is before you. There are just a couple of small editorial changes that I want to bring to your attention. I'm just going to summarize it, because this would be the work plan that the subcommittee has suggested for the committee to the end of November.

On Tuesday of next week, we would have Mr. Eric Wickham from the Canadian Sablefish Association and officials from DFO. This is in follow-up to a letter that we wrote to the minister before the last Parliament. Just a day or two ago, I got an answer from the minister, which will be translated and given to you in due course.

On Thursday of that week, we would be inviting officials from DFO to appear before us on two issues really. One is relating to business arising out of the previous committee's work, wherein we wrote a letter to which we had not received a response. Not surprisingly, we've now just this week received a response, which will be before you. You'll notice the wording in paragraph 3:

“Potential legislative changes to the Canadian Coast Guard”. That is our clerk's code for Bill C-3.

What you see in front of you as paragraph 4 will now be paragraph 4(a). On the following Tuesday, Johanne Gélinas, the Commissioner of the Environment, will appear. We will attempt to have that meeting televised. On paragraph 4(b), time permitting at that meeting, David Bevan will appear to discuss the 2004 Fraser River sockeye salmon harvest.

Then, on new paragraph 5, two weeks today, there will be a briefing by our researchers on preparations for our questioning of the estimates.

On new paragraph 6, at the next four meetings after the break we will deal with estimates. At least one of those meetings will pertain to having the minister before us. We've now passed the motion so that meeting will be televised. Our clerk will make the arrangements.

On paragraph 7, at the last meeting of November, we have representatives of the Association of Canada Lands Surveyors who will attend before us to bring us up to date on where they are. This is also a piece of business arising out of the previous Parliament, namely their concerns that the ocean floor mapping is not occurring, or is not occurring quickly enough.

So there you have it. We have seven paragraphs that were unanimously passed by your subcommittee. I would entertain a motion to accept the subcommittee's report.

Mr. Bagnell.

• (0940)

Hon. Larry Bagnell (Yukon, Lib.): I so move.

The Chair: Any discussion?

Monsieur Blais.

[Translation]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): I'm not sure where this could be fitted in, but I think it would be interesting to do a follow up on the marine infrastructure question, particularly on the issue of small craft harbours.

I see that the committee has done some work in this area. Judging from what I've seen and from what I'm seeing today, my impression, unfortunately, is that the network of small craft harbours is likely to remain in a deplorable state of repair in the short term. In this regard, it's important that we make room on our agenda for dealing specifically with this issue and for looking at how the committee could eventually do a more in-depth study of the matter which, to my mind, is of utmost importance to our communities.

At first glance, I was thinking that this could be included in a new item 6 which deals with estimates. However, I'm now wondering if perhaps we shouldn't add an item 6a) or 6b) so that this topic can be discussed at greater length. It's already one of the committee's concerns, as indeed it's been on the minds of people in the various regions. I think the question warrants further consideration.

The Chair: Thank you, Mr. Blais.

For your information,

[*English*]

what we were hoping to do as the steering committee was to get this report passed and then ask members what other issues they wanted the committee to consider. This of course is a very important issue, and it could be considered in two ways without amending this report. Namely, during estimates we could ask our researchers to concentrate on small craft harbours and to suggest questions to us, and we have four meetings to deal with that under the estimates procedure. Of course we also have four meetings in December, and we certainly have not set an agenda for December; so if our questions on small craft harbours are not answered at our estimates meetings, we could certainly devote some time in December to those questions.

So if it's all right with you, I would suggest we not amend the first report at this point. Take your points; ask our researchers to examine the small craft harbours questions specifically; prepare questions for us; include it in the briefing that will occur on Thursday, November 4, and then everybody will be ready with their questions.

If it's the will of the committee after this report is passed, there will be another meeting of the subcommittee on agenda and procedure before the end of November, and then we could take it up at that time, bring back report number two with specific recommendations. That's the way I would suggest, but it's only a suggestion.

Mr. Stoffer, and Mr. Matthews.

● (0945)

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): On that point, Mr. Chair, as we all know, pleasure craft are now being taken out of the realm of DFO and into Transport. It would be interesting if we could get a clarification as to why that's being done and what that actually means in Transport in terms of the pleasure craft, so we can at least advise our constituents what this actually means for them in this regard.

The Chair: I don't think that has much to do with what Mr. Blais was saying, but you managed to bootleg it in anyway.

Mr. Peter Stoffer: Yes, sir. It was crafts, you see?

The Chair: Yes, I think it's under number 3, because that's where we'll be dealing with Bill C-3 and that's where it's happening and that's where we could ask the questions.

Mr. Peter Stoffer: Merci.

The Chair: Mr. Matthews.

Mr. Bill Matthews (Random—Burin—St. George's, Lib.): Thank you, Mr. Chairman.

I'm just wondering what Mr. Blais' concerns are about small craft harbours. Can you be more specific on where you'd like us to go on this? This is an issue the committee has covered fairly extensively in the last few years, but there still needs to be more work and more attention to it. I'm just wondering really what your specific concerns are with small craft harbours. Is it funding or the program?

[*Translation*]

The Chair: Mr. Blais.

Mr. Raynald Blais: Funding is indeed my concern, because harbours are in a pitiful state of repair. If we want to know how things stand in our various ridings, I think a picture is worth a thousand words. I understand that an effort was made when the budget was increased by \$20 million per year over five years starting in 2002, but I also understand that this is a relatively minor initiative if we look at the needs that have already been identified. I recall very clearly that at the time, the minister pegged the cost of rehabilitating small craft harbours at approximately \$400 million, if not more. That was two years ago and we're talking about relatively summary estimates. I fear the real costs could be much higher.

Because DFO is wasting time by not taking concrete action to address this situation, the cost of rehabilitating these small craft harbours, which is today estimated at several million dollars, could unfortunately escalate to possibly \$1 billion. There are different issues to consider here. The first is the deplorable state of the harbours and the needs of fishers. However, safety concerns must also be addressed. The risk we face is divesting ourselves of certain harbours that represent a safety component, or allowing them to deteriorate even further.

You understand, as I do, that when fishers move from one port to the next, they face certain dangers if they fish over an expanded area and if a storm comes up. Funding is an issue, whether we like it or not, but safety is also a factor that we must consider. With respect to coastal communities, you know as well as I do that small craft harbours are critically important to the future of these communities. If we divest ourselves of these harbours or if they are allowed to deteriorate, as is now happening, or if we leave them in a state of disrepair, we are mortgaging the future of these small communities.

The Chair: Thank you, Mr. Blais.

Mr. Roy.

Mr. Jean-Yves Roy: You will recall that last spring, when the minister and deputy ministers appeared before the committee, I asked some questions about small craft harbours. I was told that the last study dated back to 2002 and that a new one was in the works to examine all such harbours to ascertain which repairs the department needed to carry out. I understand that this study was undertaken last spring, or perhaps even earlier. The costs have been pegged at approximately \$1 billion.

The situation is rather catastrophic. Harbours are being closed down as we speak. Wharves are being cordoned off for safety reasons. What Mr. Blais is saying is true. Fishers' livelihood and safety are being put at risk. This is happening right now. In my opinion, this is a vitally important question and we need to know the status of the department's study on the needs and rehabilitation of small craft harbours.

• (0950)

[English]

The Chair: So we have a suggestion that I have put forward that we pass the first report and then instruct our researchers to concentrate on small craft harbours, prepare questions for us, and look at the estimates. Then if we're not satisfied with the answers we've received, we can certainly deal with it, for example, at one or more meetings in December.

An alternative suggestion by Mr. Blais is to add it to paragraph 6 in some manner. I believe that's what Mr. Blais suggested.

Six of one, half a dozen of the other...what's the pleasure of the committee?

Mr. Greg Thompson (New Brunswick Southwest, CPC): Mr. Chairman, I'm prepared to support that idea, but I have an issue myself that I want to tag on and I am just looking for the appropriate time to do it.

The Chair: I was hoping to get this done and then invite all committee members to raise issues that they feel are of importance. That's why I was hoping we could deal with this report the way I suggested; then we could open the floor to other issues.

Would that be all right?

Mr. Greg Thompson: That's fine.

The Chair: It's been moved that this report... We've had our discussion as I read it into the record. All in favour, please signify.

(Motion agreed to—[see *Minutes of Proceedings*])

The Chair: Our researchers have the instructions with respect to small craft harbours. That's it.

Now I invite all committee members to address us with respect to issues of their own concern that they'd like the committee to investigate.

We'll start with Mr. Thompson.

Mr. Greg Thompson: Thank you, Mr. Chairman.

To put this in its proper context, in the last Parliament I had a number of questions on the order paper concerning the aboriginal fisheries buyout package as it relates to the Fundy region. In a

nutshell, it's problematic in many ways. I can go into some of those issues that we're dealing with.

Up to this point there has been no response from the Government of Canada or any attempt to answer those questions. Now we're going into another Parliament, and those same questions are on the order paper, and yet with no response from the Government of Canada. We can get into some of the reasons why, and some might be legitimate, some not, but the fact is that this problem is not going to go away until there are some clarifications.

For example, one of the questions I asked in relation to this package concerns the impact on the native community itself and on the non-native fishermen. Up to this point we have had no statistics from the department. We have no studies, to my knowledge, by the department on the impact upon the non-native fishing community.

One of the problems we've experienced in the Fundy region, Mr. Chairman, is that we have non-native fishermen who can't afford to follow in their fathers' footsteps. We have a whole generation of young fishermen who simply cannot afford to buy out licences because of the escalating prices, because of this bidding war that's going on, with the federal government having what appears to be an unlimited number of dollars to buy out licences.

In a nutshell, Mr. Chairman, we have a number of non-native fishermen who are basically disenfranchised. They have no ability to finance a licence through the department, no loans available to them through the department, and they're in competition with the Government of Canada to buy existing licences. It's a huge problem.

• (0955)

The Chair: I'm sorry, Mr. Thompson. How would you, in four words, encapsulate this in a title? Would it be "aboriginal funding in Fundy", or something like that?

Mr. Greg Thompson: In terms of a title—and maybe I could get some help from the committee members on this—basically, Mr. Chairman, it's the aboriginal buyout package, its impact on the native and non-native fishing communities.

The Chair: "Aboriginal buyout package" where?

Mr. Greg Thompson: In the fishery, in the Atlantic fishery.

The Chair: The entire Atlantic? You had mentioned Fundy.

Mr. Greg Thompson: Well, we have different areas, obviously, but I'm speaking specifically of the area in southwestern New Brunswick that I represent: Grand Manan Island, Campobello Island, Deer Island—that region of New Brunswick. I know it has an impact in other areas as well, and I understand the sensitivity of this issue, Mr. Chairman. That's why I think we should do as much research as we possibly can and put some pressure on the government to come up with some answers to those questions that are presently on the order paper.

There appears to be a reluctance by the Government of Canada to tell us, for example, Mr. Chairman.... And I know I'm not answering your question specifically, but I'll get to it. For example, there are consultants who are making huge dollars putting these packages together. In other words, commissions are being paid to individuals to put together these packages. We have no idea who these individuals are or how much money is being paid to put these packages together, but we do know there are representatives out there going around to various areas in Atlantic Canada attempting to buy out licences, to put a package together.

What it boils down to is that we want a little transparency in that whole process, Mr. Chairman.

The Chair: Have you put the questions on the order paper in this Parliament?

Mr. Greg Thompson: I have, Mr. Chairman. They are presently on the order paper.

The Chair: Good. That's point number one.

Second, if it has to do with funding, undoubtedly it's in the current estimates or in past estimates. We have four meetings on the estimates coming up. You certainly would be at liberty to ask the officials whatever questions you want to ask them about estimates and about money. DFO has already committed to this committee in past discussions and reports to have a very open estimates process. This question might even put them to the test.

The minister's assistant is right behind you taking vociferous notes, and of course the parliamentary secretary is listening very carefully. I have no doubt there would be a heads-up in anticipation of the estimates process.

I have your specific suggestion here. I would like to hear other suggestions, and then we can discuss whether we want to refer them to the subcommittee for further discussion or whether we want to agree that we will study them immediately. If you don't mind, I think we have the general gist of what you're proposing.

I'd like to hear what Mr. Stoffer has to say, then Mr. Hearn, then Mr. Cuzner.

Mr. Greg Thompson: Mr. Chairman, just to sum up, it's basically the lack of transparency in that whole package, if you will.

The Chair: Understood.

Mr. Greg Thompson: That's really the issue. We're seeing some of the impact in the communities on the aboriginals and the non-aboriginals and we're asking, do we have a problem here? Let's examine it.

One of the questions, Mr. Chairman, is, for example, what other departments are involved in this whole process? How does it relate to Indian and Northern Affairs, for example? Is all the funding coming from DFO, or is it coming from a separate package? What is the relationship between those two departments in managing that particular file?

The Chair: It's a perfectly legitimate question, as far as I can see. It sounds to me as though it would be forensic examination.

Mr. Greg Thompson: I believe you're correct, Mr. Chairman.

The Chair: Mr. Stoffer.

Mr. Peter Stoffer: I have three quick points.

One is that I notice that on the defence committee the speaking order is seven, seven, seven, seven. I'm not sure, with the minority government, if there's any appetite within this committee to re-examine the speaking order and the number of minutes each person is allowed in the initial round of questioning, but maybe that's a procedural thing we could talk about at a later time.

There are two things I would like us to do. First, I wonder if it's possible, if the committee agrees at a later date, to write a letter from you, Mr. Chairman, on behalf of the committee, asking the government to commit to and honour a recommendation we had in one of our last reports regarding the Atlantic salmon endowment fund. It was unanimously passed by this committee. There's political will throughout Atlantic Canada; there's industry will; there's a tremendous number of people out there just saying, we're with you, just go ahead and do it. There seems to be a reluctance on the part of either cabinet or.... We know the minister is supportive, but in trying to get it to where he has to go, he probably would use a letter like that for further support for this initiative. I think that would be very helpful, especially before the budget coming in February or March.

One thing I'd like us to do, as I mentioned in the steering committee, is to look at the deal that was struck between Canada, Nunavut, and the BFC regarding that quota and the reflagging of that foreign vessel up in Nunavut.

• (1000)

The Chair: That's in number three, Mr. Stoffer.

Mr. Peter Stoffer: Yes. Just to let you know, the clerk's going to receive documents I have so that they can be translated, so that everybody here can get a full grasp of what all that means.

Mr. Peter Stoffer: Today.

The Chair: Good.

Okay, I have your three points, one of which is already dealt with.

Mr. Hearn.

Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC): Thank you, Mr. Chair.

Before I raise my own point, I'd like to just tag along on Mr. Thompson's issue, as it would be one of my points, too. That's a lot bigger than just one localized issue; it's actually part of what the unions have talked about—McCurdy and others were here—and the owner-operator concern, because it's becoming part of that total picture.

What is happening is that people could at one time go in and get a licence for \$50 to go fishing—you had to have a fishing licence. Now because of the value of groundfish and boats and so on, licences have escalated in the shrimp fishery to the point where they're almost putting the people out of business, because the licence fees are so high and the price of shrimp is so low. It's causing a disaster.

In regulated areas, Nova Scotia and New Brunswick, home, the average young fisherman who would like to get into the fishery can no longer buy a licence. What happened before when Mr. Jones down the road decided to get out is that, for a reasonable amount, he would sell his licence, including the groundfish quotas—shrimp, and crab, in particular—to some person who wanted to buy it. Now, since the aboriginal situation has taken the forefront, government is actually entering that market, buying out licences to give to the aboriginals to set them up. That part of it is not a problem.

However, what is happening is the price of the licences has now been driven so high that the only competition is the merchant, so the average Joe fisherman can no longer buy a licence to go fishing anymore. The government buys it and gives it to an aboriginal band, or the merchant buys it, puts it in, say, Rodger Cuzner's name, and he goes out fishing for a pittance, while the owner has now not only one.... In some cases in Newfoundland, Bill, I believe it's up to 40 and 50 licences that some companies hold because of this very issue.

It's a sham. It's not what licences are designed to be. A licence is so that you, I, and everybody else can go fishing as individuals in our boats. The whole thing is right out of whack, and government is a major participant in it.

The Chair: I'm sorry, Mr. Hearn, before we go any further, I have two things. The Atlantic salmon endowment fund recommendation was, I believe, contained in our Atlantic report, was it not? Did we get an answer to that?

Mr. François Côté (Committee Researcher): The minister, when he appeared in the spring, supported the fund.

The Chair: Okay. Did we get an answer to our report?

Mr. François Côté: Yes.

The Chair: Okay. Maybe you could bring that to our attention, and at the estimates, considering that the minister supported the endowment fund, we could ask the minister where the money is.

Did we not deal with this issue in some manner in our Atlantic report? We would have received an answer, and I don't remember what the answer was. Maybe we could ask the minister some questions in that regard as well when he's here on the estimates and then see if we want to follow it up later.

Now to your issue.

Mr. Loyola Hearn: What this has done is that there's a whole generation of young fishermen who have now been disenfranchised. They cannot get there; they can't afford to. The merchant controls the whole works—or government—and that's not a good combination.

On the other two issues, very briefly—and I notice you have one of them on there—there is the Fraser River situation. That's a crisis situation and we should deal with it as quickly as possible. We've made great recommendations and nothing was done, and now we're paying the sorrowful price for it.

The other one, of course, near and dear to my heart, is the overfishing issue. Despite what my colleague tried to say yesterday evening, nothing is happening, and within another week we will see proof, hard and fast, that the situation is probably worse internationally than it was. That's an issue we certainly should follow up on—why commitments haven't been lived up to.

●(1005)

The Chair: I have a couple of comments on that before I go to Mr. Cuzner.

On the Fraser River issue, we had a briefing; you were there. There's going to be a panel and that panel is going to report, they say, before the next runs, which we presume would be early spring or summer. We could keep an eye on that, and if we see that there's foot-dragging, if nothing is happening, we could literally call everybody in, I'm thinking in March or something like that. We need time, but absolutely we have to follow up on the Fraser River because it's a disaster and it doesn't appear to be being managed well.

On the foreign overfishing issue, what are you proposing?

Mr. Loyola Hearn: Basically, major commitments have been made—certainly during the election—that it's time to deal with this. I think it's time, as I mentioned yesterday evening in the House. I can understand full well that it isn't easy for government to say we're going out there tomorrow and we're going to take over. That's what we would like to have happen. However, our basic premise right through all of this is that these stocks have to be managed; somebody has to be responsible. If NAFO is saying butt out, Canada, we should make sure that if they are allocating the stocks, they are managing.

Our government should be taking leadership. If they don't want to do it on their own, or don't have the guts or the authority, whatever, then do it within NAFO.

But we are not seeing any leadership. Why wasn't this issue dealt with?

The Chair: I believe there was a NAFO meeting in September, was there not?

Mr. Loyola Hearn: Yes, there was.

The Chair: Again, when the minister appears for estimates, we could also ask him about that. If we don't have enough time or if we don't like the answer, we can certainly revisit this issue again in September or early in 2005, bearing in mind that we've issued two unanimous reports on it and we continue to push it.

I'm of the view that it's because we've continued to push it that something has been happening, albeit not as much as we would like to see.

So on that issue, would it be all right with you, Mr. Hearn, if we simply ask the minister where we are on that—

Mr. Loyola Hearn: Sure.

The Chair: —and if we don't like it, then we can schedule a meeting, get our officials in, find out what happened at the last NAFO meeting, get some statistics on some of the seizures, and so on, and so on? But we will deal with that, and the Fraser River as well.

Mr. Cuzner.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): I would think what has taken place since the Marshall decision has been the most significant shift in the entire paradigm of the Atlantic fishery. I certainly think it's probably one of the greatest opportunities our aboriginal communities have had in generations. I think we all want to see them succeed.

I think it's imperative. What Greg is saying is bang on. We have to have some kind of a track, some kind of a scorecard. Are the actions taken achieving what was intended? Have the native communities developed the capacity of native fishers? Are they developing the business senses, those skills to be successful in the industry?

I think there has to be a study, broad and deep, as to just how we are doing. Anecdotally, there are some success stories out there and you guys have heard them, but there are some scary stories. There are some sharks there. You talk about some of the processors that have come in, and I think they've played a shell game with some of the native communities.

So I would certainly encourage that. Whether the response from the department is to go ahead and enter into a full-scale study as to how we've done with the work, I think it's imperative that we get those answers just to make sure that as we go forward with the file we do realize success and the aboriginal communities realize success.

On the second part, from what Loyola was talking about, I guess it depends on what side of the licence you're on. When that kind of equity is built into an enterprise and into a licence, if you're the holder of that licence, it's a seller's market for sure, so that's good news for the sellers, but we have marginalized that next generation of non-native fishermen.

I think one of the things we have to do is address the inequity or the difference between bequeathing that enterprise to a son or a daughter, to the next generation of fishermen, and the tax provisions that impact on that. Right now, even to pass it on to your son, with the tax regime, if you own a farm there's no problem, but if you own a fishing licence there is a problem and you can't afford that.

That is a matter we would have to pursue with the Revenue officials, I guess, or Finance, or whatever, but I know that's what I hear on the wharf, and if we could do something of benefit to that next generation of fishermen, it would be as important through the tax structure as it would be through DFO regulations.

• (1010)

The Chair: Thank you, Mr. Cuzner.

Mr. Murphy.

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Chairman, perhaps I could address this question to Mr. Thompson and others. It deals with the Marshall buyouts.

Are they still buying fleets in the Bay of Fundy? My understanding was that those commitments were basically done and that is concluded. Are they still buying in the Bay of Fundy?

The Chair: Mr. Thompson, can you help us?

Mr. Greg Thompson: Yes, Mr. Chairman, through you, there are still buyouts going on, if you will. Most of the members have

articulated well the difficulty in this generational transfer, tax-wise and otherwise. It is still happening.

I guess one of the upsetting things about it, Mr. Chairman, is there's virtually no transparency in the whole process. As we said here today, I am quite certain there would be representatives of consulting firms or whatever looking for opportunities to buy more licences. They basically go knocking on doors: "If you want to sell your licence, we can put a package together for you". This is happening continually and we've had many examples of it. As an example, Mr. Chairman, we have lobster licences now transferring in and around \$600,000 to \$700,000. If we were sitting here 20 years ago, what would be the value, Mr. Murphy, of the lobster licence? We could easily say \$20,000, but 30 years ago probably \$50 would have bought a licence. We're getting into astronomical sums of money where, again, as Mr. Hearn has articulated, it has basically disenfranchised an entire generation of young fishermen who simply can't afford those kinds of dollars.

So what I'm saying, Mr. Chairman, is that there's a huge impact on the social structure of these communities and there's basically a generation of fishermen who will have to go someplace else to make a living, especially in these island and fishing communities. So I'm saying the social consequences are great.

I'm sure there are some success stories out there, but there are some monumental failures as well. I guess what disturbs a lot of people is this unlimited pot of money by DFO to continue doing this without, again, attaching it to any measurement stick in terms of success, where we're going, what are the failures, what are the success rates, and so on and so forth.

I'm not sure if I've answered the member's question, through you, Mr. Chairman.

The Chair: Well, let's find out.

Mr. Murphy, did that do it?

Hon. Shawn Murphy: Yes.

I understand that the Marshall commitment expired on March 31 of last year. Again, I'll follow that up and get back to you. But I agree with your comments and I'm aware of the situation.

But again, Mr. Chairman, if people are willing to pay \$800,000 for a lobster licence, there's a reason for that. The reason has to be that the holder of the licence is making an awful lot of money. If the licence 20 years ago was valued at only \$50,000, there's only one fundamental rationale; it is that the lobster fleet is making a lot more money now in 2003 than it was in 1983. It's a good news story too. It means that for the fishermen with the licences, if these are valued at \$800,000, the underlying assumption has to be that they are making a lot of money, which is a good news story.

I know we don't want to get into a debate, but that's—

• (1015)

The Chair: I guess what Mr. Thompson—

Mr. Greg Thompson: I know that we don't want to get into a debate. I just want to—

The Chair: Let me just recap then. I guess Mr. Thompson's point is that it may very well be worth \$700,000, but here comes the government with \$700,000, buys the licence, and gives it to an aboriginal band, as opposed to somebody else who has to go out and try to find that money and finance it. There's an unlimited pot of money from the government.

Is that more or less it? And we don't want to get into a debate.

Mr. Greg Thompson: Yes, basically it's driving up the price of that licence. Most of us would say that despite the fact that the lobster fishery at this point is very lucrative in most areas, the ability to finance those kinds of dollars, given the fact that you will have good seasons and bad seasons, is still not within the realm of possibility. In other words, these younger fishermen simply can't afford those kinds of dollars. The licence costs have been artificially driven up by the ability of the Government of Canada to just keep throwing more money into the purchase of these licences, Mr. Chairman. Basically it's an artificial marketplace, if you will, created by the Government of Canada much to the detriment of the non-native fisherman.

The Chair: Okay, we get your point, I think.

Mr. Matthews, and then Mr. Hearn.

Mr. Bill Matthews: Mr. Chairman, I know our list is getting long and we're starting to get into a bit of a debate here. Mr. Thompson's issue with Marshall and so on is very well taken. Mr. Hearn's point on fish processing companies buying up 10, 20, 30, 40, 50 licences is a big issue. We're really opening up a big discussion here and one that I think really needs to be taken and carried by someone, and maybe it is this committee, at some appropriate time.

What we have now is fish processors, processing companies, that basically own and control the total industry, including the harvesting of fish. What they're doing is owning the fleet so they can decide where the fleet lands. And what we're seeing happening is three or four companies in our province totally restructuring the processing sector. They are eliminating communities. They are shutting down plants at their will because they can decide where the fish is landed. We have one helluva big problem in talking about licensing in general, not only the aboriginal situation with the government providing the money, but companies driving the prices up so high that no one else can purchase them. They own a fleet.

This is a real issue that really needs some very serious attention by this committee. But that wasn't my point.

Fishery science. I want to at least put this on the list for consideration. Everyone is telling us in our province and around the shores of our province that there's much cod. We don't have any scientific effort by DFO. It's totally inadequate, and the bit we have is not reliable because DFO and the science branch have been cut to the bone. There's no science left. So where do we turn?

Everyone is telling us there are lots of fish. But the bit of science that's around is telling us there are very few fish. So we have one helluva predicament.

The minister makes decisions based upon what his scientists recommend, or the FRCC in some cases. But there are rumours as well, and I don't know if they're true or not, that there's consideration being given to doing away with the Fisheries Resource Conservation

Council. Now, can you imagine if we do away with that? We're left with absolutely nothing.

I think, Mr. Chairman, that we should really give some serious consideration to fishery science because there's something really out of whack here.

The Chair: Thank you.

Mr. Hearn.

Mr. Loyola Hearn: I agree with Mr. Matthews. I think science should be a prime issue. We should deal with it. It underlies a lot of the things we've talked about.

Very briefly on the licensing aspect, there is one part that we didn't discuss in all of this. It aggravates people when the young people in the community can't move off and take over their father's enterprise because he can't afford to sell it to his own son, and he has to, when he's been offered a million bucks by government.

What aggravates people further is, particularly in the aboriginal situation—and this can be the crab and shrimp—that if the licence is given to a member or a number of members of the band to go fishing, to buy a boat, to go out there to work side by side with the commercial fishermen, it's not a problem; it's great to get people who have not had the chance into the fishery. In a lot of cases that doesn't happen. The licence is given, or even worse, a quota of shrimp is given—this is really blatant—to a band, which then sells it in the water to somebody else. Or in the case when the licence is bought and the boat is given, they get the very people who owned the boat in the beginning to go out and fish for them, and they reap in the profits and don't throw a jigger over the side. That is extremely aggravating.

But what's becoming really blatant is where government is using quotas of fish, large shrimp quotas in particular, to appease aboriginals on one side or communities on the other—and I can throw in Fogo, for instance, in this one or the province of Prince Edward Island—with no attachment, no mechanism of fishing. They say, here, we can't give you the money you are asking for, so we'll give you shrimp, and you can sell it and get the money. That's exactly what's happening, and it's terrible.

I think we need a thorough cleaning up of the licensing and quota issuing. It's not going to be easy, but it's getting worse.

• (1020)

Mr. Greg Thompson: Can I tag on to that, Mr. Chairman?

The Chair: Mr. Thompson.

Mr. Greg Thompson: Mr. Chairman, that's one of the points that I failed to mention in response to Mr. Murphy's question in terms of the value of the licence and how that figure is arrived at. We didn't talk about the young non-native fishermen would have to go out and buy or borrow that \$700,000 at market interest rates, and basically mortgage themselves for 25 or 30 years to pay that off—or maybe for 10 years, or whatever that figure might be.

But Mr. Hearn is absolutely right. These are very sensitive issues, as we all understand. But that's exactly what is happening again in the area I represent; the native community purchase a licence and the non-native people are basically hired to fish the licence and never step foot on a boat.

The Chair: “They” being the aboriginals, you mean?

Mr. Greg Thompson: The aboriginals, exactly. And the impact on the non-native community....

What I'm saying is that at some point there is going to be a flashpoint. The stress within the community, the tension that creates within the social structure, if you will, could reach a point where.... Well, it's going to reach the kindling point some time in the future. We don't know when.

Again, it's a very complex issue, but I think it's one where, if this committee has a chance to travel down into these areas and talk and investigate and do the type of investigative research that you've done in the past, Mr. Chairman, it would be very helpful, because we could have a chance to document and see firsthand what we're talking about.

The Chair: Okay.

Mr. Stoffer.

And maybe I could ask for that to be it, and then I'll summarize.

Mr. Peter Stoffer: Thank you very much, Mr. Chairman.

One of the things we did last time in the previous Parliament was the discussion of trust agreements. I know Mr. Keddy is not here, but it would be interesting to hear his perspective, because a lot of those agreements are happening in his riding and that of the former minister, Mr. Thibault. It would be interesting to see, because we know that DFO said, “Well, we don't really support that aspect of trust agreements”—but they're not doing anything to stop it. As for whether they have the legal right to stop it, that I don't know. But to throw that into the mix of this discussion....

As well, you talked about the kindling point. I was wondering, Mr. Chairman, if Mr. Murphy could tell us for a second about the situation of the herring fleet from New Brunswick as it is going toward Prince Edward Island, because we've been hearing concerns that the port has the RCMP in riot gear and that the guys are going to be just as angry or pissed off as they were last time. So I was just wondering if he could do that for the committee's sake, because I have a feeling that if this thing does blow up, we're going to be dragged into it somehow to respond in some way. If it's possible, perhaps Mr. Murphy could just give us a minute and outline what's going on there on the island as we speak.

The Chair: Mr. Murphy, can you help us on that issue?

Hon. Shawn Murphy: I can briefly summarize it, Mr. Chairman.

I think, as most people are aware, this is a very difficult situation involving five offshore herring seiners operating out of the Acadian Peninsula, who fish mainly in the Baie-des-Chaleurs. They have a quota there of 50%, and they have small quota in the Sydney Bight of 4,000 tonnes, and they fish just north of Prince Edward Island.

There has always been—and this goes back 40 years probably—a major conflict between the inshore fishers, the gill-net herring fishery, and the offshore seiners. We used to have in the gulf probably 50 or 60 of these large boats. A lot of them were bought out, and we're down to five now. But there's still the conflict there, and it's an ongoing conflict between the Prince Edward Island Fishermen's Association, and the seiners.

Right now the big issue is how close they can come to the shoreline. It was 50 fathoms; it was pushed out last year to 70 fathoms. There was a major confrontation on the Surrey wharf, and this year the minister has pushed them out 20 fathoms and has put a cap on it of 25% for an unspecified science fishery within the 70/20 fathom line. That has not satisfied the Prince Edward Island Fishermen's Association.

On the other hand, there are about 400 jobs in the Acadian Peninsula—in the herring food industry actually—that rely on these catches.

The minister, I submit, has done his best. There's really no science to justify pushing them out too much further, but certainly it's a major issue in the fishing industry, and has been for a long, long time. It's a difficult issue, and it's a difficult issue for the minister. I think he's doing a good job under very difficult circumstances.

• (1025)

The Chair: Thank you.

Let me just summarize here. If anybody feels that I have missed a point....

Yes, Mr. Hearn.

Mr. Loyola Hearn: I have a question on the agenda, number 4.

The Chair: Number 4 is now number 4(a).

Mr. Loyola Hearn: Okay, 4(a). It's with regard to the Commissioner of the Environment and Sustainable Development. Is this in relation to the COSEWIC hearings?

The Chair: Is it in relation to what?

Mr. Loyola Hearn: Does it have anything to do with the hearings that are presently taking place on endangered species?

The Chair: No, it's with respect to her 2004 annual report, which will be tabled Tuesday. She has some comments about the fisheries, so we thought it might be important to hear what she has to say.

I have this down in no particular order. First, with regard to the Atlantic salmon endowment fund, the answer is that we received a response from the government to our unanimous recommendation, which François will remind us of. We can ask the minister about it during the estimates.

The Fraser River issue is very important. That is going to take place on November 2, if time permits. If not, we'll certainly put it on the agenda.

The overfishing issue can be asked of the minister at the estimates procedure, at this point. We can subsequently decide to hear from the appropriate officials re NAFO meetings, etc.

The science issue and the Fisheries Resource Conservation Council issue are both very important. I think we could commence that by asking appropriate questions at estimates, and asking a very specific question about what the heck is going to happen to the FRCC. What do the department and the minister see as its future? Depending on what the answers are, we can decide if we want to go any further on those.

Then we have Mr. Thompson's issue, supported by Mr. Cuzner and Mr. Hearn. I gather there's general agreement around the table that the issue is an important one. I remind the committee that in the past we usually have agreed to undertake one to two major studies in a year, and of course we always have minor ones. What I'm going to suggest is that we refer this issue, under whatever name it is—aboriginal buyouts, transferring licences intergenerationally, cost of licence, or the response to Marshall—to the subcommittee, which will meet on the Wednesday before November 30. The subcommittee would have a report and recommendation to the committee on Tuesday, November 30, for the 2005 work plan. This is particularly since Mr. Thompson suggested that we travel there. That takes some planning and some discussion.

Mr. Loyola Hearn: Mr. Chair, could we tie the allocation aspect in with the licensing, within the major study? They almost go hand in hand.

The Chair: Let's leave that to the subcommittee to decide and then come back with a recommendation. But we do get the general drift. We also will have an opportunity to begin by asking what the answers to the questions that have been tabled are, where the money in the estimates is, where it's buried, etc.

So we can do that as well.

The other thing that's outstanding is Mr. Stoffer's request for us to consider a change in the number of minutes for questioning. You were not here, Mr. Hearn. He said that in defence committee, it's seven, seven, seven, and seven. We merely adopted the last one, which was ten, five, five, ten; and then five, five, five.

We won't have to deal with that issue today necessarily, but we should all be thinking about it to determine whether we want to adopt something else.

Mr. Blais's comment we've already dealt with. Initially we'll deal with it by preparatory questions for estimates. If we don't like the answers to the questions, it's also something we can proceed with because we have four meetings in December. It's not something that requires a huge study. It's something we could go right into in December if we don't like the answers.

I'll leave the speaking times for next week or whenever. I think that covers everything we've talked about except one thing. The minister recently wrote—the letters have not been translated and they've not been sent to you. He did, however, request that the committee retable the coast guard report, which was a unanimous report. He asked that it be retabled, obviously so that in this Parliament the ministry would be required to answer the report.

Procedurally—I haven't had a chance to discuss it with the clerk—once the letter is tabled in both official languages the committee should deal with it and get it done as quickly as possible. I'm presuming it would be as simple as a unanimous adoption of the

previous report and having it filed in the House with perhaps an abridged time for response, since the government has already had lots of time to look at it and consider it. That's the suggestion I would have.

So far at this point, depending on answers out of the estimates, I see only one major study looming, and that would be the subject matter raised by Mr. Thompson. If anybody has any other major study that they think we should look at—again, subject to all of the other witnesses who are going to be here on these other issues—then we can certainly consider it.

Due to previous commitments, which are now solidifying, it is almost certain that I will not be here to chair the next four meetings. I've spoken with Mr. Keddy and Mr. Stoffer, and between the two of them they will chair them. If the committee can resolve the coast guard report issue while I'm gone, please do so and have one of the vice-chairs present it in the House so that we don't waste any time. Let's get moving on it.

Those are, as far as I can see, all the issues we talked about. Before I go to Mr. Cuzner, have I missed anything? I did?

Mr. Cuzner.

• (1030)

Mr. Rodger Cuzner: The tax implications on intergenerational licence transfers.

The Chair: Yes, that will be part and parcel of that, intergenerational transferring of licences tax considerations—just what we need.

Mr. Loyola Hearn: Mr. Keddy tabled a private member's bill on that. You might want to tie it in there somehow.

The Chair: Okay, that would be something your subcommittee would look at with advice from the researchers, and we'd come back with a broad description of the kind of study we would undertake.

Okay, Mr. Stoffer.

Mr. Peter Stoffer: I want to give the committee a heads-up. Yesterday Senator Forrestall reintroduced his bill from the Senate on lighthouse preservation. I just wanted to let the committee know.

Also, a lot of you have probably received or are about to receive a lot of e-mails, faxes, and probably phone calls from the west coast, from a Jim Abram, who is setting up this committee to try to get the government to change its mind on the delisting or cancelling of the foghorns on three different stations on the west coast. This is just to give you a heads-up. As we spoke to the minister, the decision was to close those. And of course the communities affected don't like that decision, so they are going to try, I guess through all of us, to see if we can put pressure on the minister to change his mind.

The Chair: Okay, that's just another thing he'll have to answer, I guess, at estimates.

I have a final thing on meeting times. Just to bring you up to date, for those who weren't here, the whips have instructed that our meeting times are 11 a.m. to 1 p.m. on Tuesdays and Thursdays. Generally speaking, there's no objection to 11 a.m. to 1 p.m. on Tuesdays, but I know the committee members, being from the west and the east primarily, have concerns with 11 a.m. to 1 p.m. on Thursdays. So what the clerk is going to do is endeavour wherever possible to schedule the Thursday meetings from 9:30 a.m. to 11:30 p.m. We may be in rooms smaller than we are otherwise used to in the Wellington Building, but that's the price we'll have to pay for unscheduled meetings. We'll do the best we can so that people can get on their airplanes on Thursdays.

Okay, I think we have pretty well dealt with everything. We have, as usual in this committee, lots of business to undertake.

Does anybody have anything else they want to say?

Okay, I'll adjourn the meeting. The next meeting will be on Tuesday next, under the chairmanship of either Mr. Keddy or Mr. Stoffer, presumably Mr. Keddy.

The meeting is adjourned.

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