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**Chair**

**Mr. Tom Wappel**

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## Standing Committee on Fisheries and Oceans

Thursday, May 19, 2005

•(0935)

[English]

**The Chair (Mr. Tom Wappel (Scarborough Southwest, Lib.)):** I call the meeting to order.

Thank you very much to our witnesses for appearing today pursuant to Standing Order 81(4), main estimates 2005-06.

We're continuing with our fourth meeting on main estimates, and as the committee agreed earlier on, we're going to concentrate today on small craft harbours. As I said at the meeting on Tuesday, if it should happen, although I find it hard to believe that it will happen, that we run out of questions on small craft harbours, then the officials, including the deputy minister, have been kind enough to come so that we can explore other areas.

We now have quorum, Mr. Kamp, so before we go to Mr. Da Pont and his presentation, maybe I could ask you to say what you have to say.

**Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC):** I have a motion I'd like to move. I think it's being distributed. It's a pretty simple one, that the committee discuss at its next earliest opportunity what action it should take in the event the government does not respond by May 21, 2005, to the committee's second report, as requested.

**The Chair:** Technically, you need unanimous consent to move the motion. You do not need unanimous consent to give notice that at the next meeting of the committee you will move this motion.

Does Mr. Kamp have unanimous consent to move this motion today?

**Some hon. members:** Agreed.

**The Chair:** So you're moving the motion today.

Discussion?

Go ahead, Mr. Kamp.

**Mr. Randy Kamp:** As you'll recall, we had requested from the government a response within 60 days, partly because of the seriousness of the situation on the Fraser River and because with the normal Standing Orders, 120 days would take us well into the fishing season. So we thought it was important that we send a message that we would like a quick response to this.

As you will also recall, that paragraph said that if there wasn't an expeditious response, we would revisit the issue of requesting a judicial inquiry. So I think it's pertinent that we at least discuss this once May 21 passes.

**The Chair:** First of all, we did request that the department respond to us in 60 days, but to be fair to the department, technically, under the procedural rules, they have up to 120 days to do so, no matter how many days we request.

Members, the effect of passing this motion today would be really that at our next meeting, which would be on Tuesday after the break, assuming we return, we would discuss this issue. We're not taking any further position.

So is it the will of the committee to pass the motion?

(Motion agreed to)

**The Chair:** Thank you.

We have with us Mr. Larry Murray, deputy minister; Mr. David Bevan, assistant deputy minister; George Da Pont, assistant deputy minister; and Robert Bergeron, director general, small craft harbours.

Because I don't know how things will go, I want to say a few things at the very beginning. We're going on a break, and of course tonight we'll have an important vote and it may transpire that we will have an election; it may not. So what I say may end up being irrelevant, but in the event that we do have an election, it's been a pleasure working with this committee.

I'd like to thank our interpreters. I'd like to thank our clerk, Mr. Jim Latimer; our researchers, Monsieur François Côte and Mr. Alan Nixon, who is not here.

And on behalf of the committee, I'd like to say just a couple of words to Mr. Murray and his team.

Mr. Murray, I think it's fair for me to say, on behalf of the committee, that we think you personally have been doing a very excellent job. We've been very impressed with your commitment to a very, very labyrinthian department with a myriad of issues. Certainly no one envies either the minister or the deputy minister the actual physical task. I suppose we'd like the limo and everything else, but the actual physical task of running a department, particularly this department, I think is a challenge in the extreme. I just want to say on behalf of the committee, congratulations to you. From what we've seen, we think you're doing an outstanding job.

Having said that, I'll call on Mr. Da Pont to give his opening remarks.

**Mr. George Da Pont (Assistant Deputy Minister, Human Resources and Corporate Services, Department of Fisheries and Oceans):** Thank you very much, Mr. Chairman. It's a pleasure to be here today to respond to questions on the small craft harbours program. I know this committee is very familiar with the program, so I will keep my remarks quite brief.

We all know that the small craft harbours program provides valuable harbour infrastructure to hundreds of small fishing communities. We presently have a total of 1,240 harbours across Canada, 1,008 of which are fishing harbours and 232 of which are recreational harbours. These harbours stimulate economic growth in the fishing industry and coastal communities and generate employment. For example, according to a recent study done in Nova Scotia, 58,000 people are employed in industries directly using or benefiting from harbours in that province, which represents 14% of the total employment by industry in the province.

As you know, the small craft harbours program's objectives are to maintain a network of about 750 core fishing harbours essential to support the fishing industry, to promote the formation of harbour authorities to ensure local control, and to divest all recreational and non-essential fishing harbours.

As we have already discussed, the budget allocated for the small craft harbours program in the main estimates is \$86.1 million. The money is allocated as follows, and I'm providing you a bit more of a detailed breakdown than appears in the report on plans and priorities, which the committee has.

About \$43.4 million goes for operations and maintenance; about \$34.1 million goes for capital, which is both major capital and minor capital; \$500,000 for grants and contributions; and about \$8.1 million is used to cover salaries. Of this money, around \$1.5 million is earmarked for divestiture activities.

As the committee is aware from our previous discussions, the budget for the program was increased significantly in 2002, when the government announced an additional \$100 million over five years to address some of the more urgent situations.

Furthermore, in recent years, DFO has been able to supplement the small craft harbours budget by redirecting money from other capital projects where there were unexpected delays that affected expenditure patterns. This has helped the program a bit to deal with unexpected events such as addressing the damage caused by Hurricane Juan in 2003 and the storm surges last year in Nova Scotia and Newfoundland.

As the minister noted in his remarks to the committee earlier this week, notwithstanding the significant budget increases, the resources in place to maintain such a large and diverse number of harbours are insufficient to do everything that is needed as fast as we'd like. As a result, priority is given to the most urgent repairs at the most active fishing harbours.

Over 1,500 projects are undertaken at hundreds of harbours in any given year. Some of them are obviously very major; others are very small expenditures.

You may also be aware that we've established a priority ranking system to ensure that the funding does indeed go to the more urgent

situations. The minister, in his remarks to the committee, has already noted the importance and priority he has placed on funding for the program.

In addition to budget issues, there are a number of other aspects of the program I would like to draw to the committee's attention.

First I'd like to acknowledge the devoted efforts of all the volunteers who make up the harbour authorities and without whom we could not operate the program. As you know, there are well over 5,000 individuals across the country who give their time and energy to managing their fishing harbours.

The department has been funding efforts at both the national and the regional levels to assist harbour authorities in carrying out their responsibilities. In the last few years the program has spent over \$3 million towards strengthening and better supporting harbour authorities, focusing on issues such as training, harbour authority fatigue, and concerns regarding liability insurance. We know that more is needed, and we are working with the National Harbour Authority Advisory Committee, as well as regional harbour authority advisory committees, to establish the priorities we should focus on collectively in the short term.

● (0940)

One of the key objectives of the harbour program is to keep harbours critical to the fishing industry open and in good repair. All non-core fishing harbours and recreational harbours are to be divested. Since the inception of the divestiture program, the small craft harbours program has divested 1,029 harbours. Most of the facilities were transferred to local municipalities and non-profit associations of small coastal communities. These communities are often far better placed to expand the facilities and promote economic development in creative ways.

Prior to divesting the harbours, the small craft harbours program makes reasonable repairs or provides an equivalent financial incentive to recipients to facilitate the harbour disposal. A total of \$61.8 million has been spent since 1994-95 on divestiture-related activities. Divested harbours remain open and active, thus ensuring continued access for local communities. The divestiture program has worked effectively and is limited only by the funds available to repair the harbours prior to divestiture. Since 2003-04, the small craft harbours program has set aside each year \$1.5 million of its annual budget towards essential and priority harbour disposals.

This unfortunately is all that can be afforded, considering the more pressing needs for the maintenance of the core fishing harbours. There has been growing pressure from some communities that are anxious to acquire their harbours and to see them repaired. We are discussing the requirements for divestitures with central agencies as part of the overall budget issues facing the program.

I want to thank the committee for its ongoing interest in the small craft harbours program. This, Mr. Chairman, concludes my opening remarks.

● (0945)

**The Chair:** Thank you, Mr. Da Pont.

In accordance with the agreement of the committee, we're going to restrict questioning to small craft harbours until all such questions are exhausted.

We will start with Mr. Keddy.

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** No Atlantic salmon?

**The Chair:** No, not unless the committee has no questions on small craft harbours.

**Mr. Gerald Keddy:** Not a problem. I was being facetious.

I welcome our guests from the department here this morning.

I wasn't a member when the 2001 report was tabled on marine infrastructure, but I've read much of it, and I think it was pretty good. I'm not certain that everything that's been recommended has actually occurred. One of the great failures of it is that we see a movement within a department with limited funding to divert funds already in existence for small craft harbours to the divestiture operation. These funds are for repairs and maintenance that the government had been doing on individual harbours before they were handed over to a harbour authority.

There's a funding arrangement from the department for infrastructure repairs of \$20 million a year for five years. I believe the committee's report suggests \$400 million for immediate infrastructure repairs and then an ongoing budget of around \$80 million a year for continued repairs and the divestiture process.

The riding I represent, South Shore—St. Margaret's, is a huge fishing area. I can't tell you how many wharves are there offhand, or how many harbours, but there must be in excess of a hundred. Certainly, there are dozens and dozens.

Can we expect to see this program finished, to come to fruition, to see the money the government is spending left, right, and centre finally do some good? Is the money going to be available to give to the harbour authorities? I also have some questions on specific harbours in the riding I represent.

**Mr. George Da Pont:** In respect of the availability of funding, I can only repeat what the minister told the committee a couple of days ago and the points he made when he met with the National Harbour Authority Advisory Council in Halifax a few weeks ago.

He has indicated that the funding for the small craft harbours program is one of his priorities, that he will make every effort to stabilize the funding for the program. We have had a decrease of \$5 million in major capital funding this year. In 2007, the existing \$100 million program ends. I think the minister has made it a priority to try to stabilize this funding and to go to his colleagues with the best case he can for additional funding.

In addition, this year he asked us to see if there was any possibility of supplementing the budget. So I think the minister has indicated that it is a priority for him.

• (0950)

**Mr. Larry Murray (Deputy Minister, Department of Fisheries and Oceans):** If I could just add to that, so the committee has a sense of our estimate of what's required to do the job. We think if we could keep the \$20 million and increase O and M funding by \$30 million,

we could actually run the program in an appropriate way and maintain 750 core harbours.

We also estimate that in order to move the divestiture forward in a timely manner, it would take about \$61.5 million over five years to finish the divestiture program.

Whether they're the right numbers or the wrong numbers, those are our estimates of what is required to actually run the program appropriately in terms of O and M funding and in terms of completing the divestiture within five years.

**Mr. Gerald Keddy:** Further to that, the department spending from 2003 to 2008 was estimated at \$80 million a year for 2005-06, \$80 million a year for 2006-07, and then down to \$60 million a year for 2007-08. Are you saying that that continuation after this year of \$60 million a year will allow you to upgrade the harbours and to operate the divestiture process and the harbour authority?

**Mr. Larry Murray:** I'm saying our estimate is that we would need to retain the \$20 million, in other words, retain the \$86 million, and we think we need another \$30 million if we're going to run an appropriate program and maintain appropriately 750 core harbours. In order to effect the divestitures, we think we need an additional one-time \$60 million over five years. That's our estimate of the numbers.

The minister will do everything possible to try to retain the \$5 million that was alluded to for capital, which is buried in the major capital side of this thing. That's an additional wrinkle, but we're working on that.

**Mr. Gerald Keddy:** Thank you very much, Mr. Murray. You answered that very clearly, actually.

I think the issue is—and certainly the committee members have stated this in the past, and the study stated it—that funding is always the difficulty. My great fear in too many of the projects we see with DFO—but we're only talking about small crafts and harbours here—is that you have to find a lot of that funding internally, and it puts stress and strain on other parts of your organization.

I have a couple more questions on your small craft harbours program. There are two big issues that seem to come up on a consistent basis. Where a number of the harbours are exposed directly to the sea, they're not on the leeward side of an island or they're not in behind a point somewhere, your armour stone.... I know there's been a change in the way the armour stone has been applied in the last few years. There's a lot of small rubble built into it, and the waves can't actually get in and flip that stone over. It costs a little more money to do it that way, but it's really much more effective. I'd just like some assurance that that will be continued. Even some of the breakwaters should probably be replaced and the smaller stone placed in around them.

The other question I have is on dredging. It's my understanding that the DFO policy of divestiture and working with the harbour authorities includes dredging. There are a number of harbours that have asked for dredging and have been told it's not applicable to their case.

I'd like to know the departmental position on dredging and on the armour stone in the breakwaters, because a number of them need continuation or a piece built on to them, and they need it built in a manner that is going to survive the ravages of the sea.

• (0955)

**Mr. George Da Pont:** I will start with a general point, and then my colleague, Mr. Bergeron, will pick up the specific questions.

Your first point is an issue we're very cognizant of and also share some concern about, particularly with some of the recent storm surge damage we've had on the east coast. What we are planning to do, in a general way, in cooperation with Emergency Preparedness Canada, is a systematic study to assess best techniques and construction techniques generally, to try to take into account some of the situations you've raised and some of the unusual weather conditions that we've had quite a bit of damage from.

In terms of the other specifics, I think my colleague will try to respond.

**Mr. Robert Bergeron (Director General, Small Craft Harbours, Department of Fisheries and Oceans):** With respect to the standards we're using for breakwaters, we normally follow the industry standards. The standards we're using are also advocated by Public Works and Government Services Canada. That being said, it's true that in recent years our facilities seem to have been subject to all kinds of storms, and therefore we are clearly thinking now that we will re-examine the standards to try to build breakwaters a bit stronger to be able to withstand storms in the future.

We do assume responsibility for dredging within our harbours, when it is necessary. But like everything else, we focus our efforts on essential dredging to ensure the operationality or functionality of the harbours and the safety of the users. There are some dredgings we have to refuse because we feel that given the limited budget we have, those dredgings are not absolutely essential to ensuring safety. But this is the first thing we look at each year; after we've done the spring inspection, we usually focus our efforts on doing whatever dredging is necessary to make sure the ports will remain operational for the coming fishing season.

**The Chair:** Merci, Monsieur Bergeron.

Thank you, Mr. Keddy.

[*Translation*]

Mr. Blais, please, you have seven minutes.

**Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ):** Thank you very much, Mr. Chairman.

I'm going to start with a few brief questions. The Divestiture Program involves 1,029 divested harbours. How many of those 1,029 harbours are in Quebec.

That's an easy question.

**Mr. George Da Pont:** Yes, I have those figures; give me a few minutes to find them.

**Mr. Raynald Blais:** Will that time be credited to me?

**Mr. Robert Bergeron:** There are 229 harbours: 24 fishing harbours and 205 recreational harbours.

**Mr. Raynald Blais:** How many are there in Newfoundland?

**Mr. Robert Bergeron:** There are 98 fishing harbours and one recreational harbour in Newfoundland.

**Mr. Raynald Blais:** That question leads me to another one and to a few comments.

When someone has acted properly, diligently and has done his duty, he shouldn't be penalized relative to others who may do less, act less diligently or perform their duties less properly.

The people of Quebec have made a laudable effort, but that laudable effort should not ultimately penalize them. Let's consider the example of the Divestiture Program. The budget allocated currently and for the next few years is \$1.5 million. We already know that amount is not enough to address the actual situation.

Back home in Quebec, and more particularly in the riding of Gaspésie—Îles-de-la-Madeleine, where there are a lot of port facilities, there are some unfortunate situations that I find scandalous. Some wharves are deteriorating to the point where the only foreseeable solution is to fence them off. That's the case of the dilapidated docks of Grande-Vallée and Rivière-au-Renard. I don't think that's a laudable solution or a responsible solution.

I'm aware of your degree of responsibility and interest in this matter. However, as you'll understand, my constituents and I simply want—and this isn't very complicated—concrete action that will give us a divestiture program with enough funding to meet the various challenges, definitely not to come up with easy solutions like fencing off the wharves when they're in poor condition.

As regards the Divestiture Program, I thought I understood that you intended to request a budget of \$61.5 million over five years. Mr. Murray referred to that earlier. I find that very promising, but I imagine that option is on the 2006-2007 horizon.

• (1000)

**Mr. George Da Pont:** As I said, we don't have enough funds for the various structures program. That's obvious; we agree on that; we've done the calculations. We know, as the deputy minister said, that we need approximately \$60 million over five years to act with a certain amount of speed.

Today, nearly 300 harbours are ready, but we don't have the necessary funds. When we allocate the funds we have, we give priority to the harbours we want to keep, the harbours that are essential for fishing. We're doing our best with the funds we have.

We created a system to establish clear and equal priorities for everyone in all regions of the country. We've allocated all the funds based on those criteria to ensure fairness, while putting the emphasis on the most urgent situations, although we know that's not enough.

**Mr. Raynald Blais:** Let's talk, for example, about setting priorities. This isn't the first time I've read in your documents that the work will be done at what are considered essential harbours. In my vocabulary, essential harbours are quite different from active harbours. What determines whether a harbour is essential? I imagine a harbour has to have more complex data or higher figures in order to be considered essential rather than simply active.

You know as well as I do that the way some wharves are installed makes them essential for safety, in my own language, even though they've not necessarily very active. For example, they're positioned to enable boats to tie up in a storm or something like that. I wouldn't want the vocabulary to make it possible to rule out wharves or harbours or small boats that, in my opinion, may be essential in one way, particularly for safety, even though they aren't as busy.

Nor should anyone fall into the trap of believing that an essential harbour requires more activity than a harbour I consider active. If 15 or 20 boats use a wharf, will it be said that harbour may be active but not essential because people could go to another dock half an hour away? In that case, the decision will be made to divest one of the two wharves, and only one will operate and be included in the program. As you'll understand, vocabulary ultimately has a major impact. I'd like to understand what you mean by "essential harbour".

• (1005)

**Mr. George Da Pont:** In general, as you said, the criterion most frequently used is the number of fishermen using the harbour. I'm going to ask Mr. Bergeron to explain the criteria in a somewhat more detailed manner. Last year, we gave the committee a list of all essential harbours, all recreational harbours and all other categories.

Mr. Bergeron, can you answer?

**Mr. Robert Bergeron:** The definition of an essential harbour is based on the program's mandate, which is to serve the commercial fishery. For us, an essential harbour is a harbour that's necessary in order to serve the commercial fishery, first and foremost. As an additional criterion, we examine the proximity of other harbours where commercial fishermen could be served at lower cost. If there is no other harbour nearby, if there is some fishing activity at a given harbour, we consider it an essential harbour.

**Mr. Raynald Blais:** What does "nearby" mean?

**Mr. Robert Bergeron:** It all depends. We conduct a case-by-case review. It all depends on the location of the fishery and so on. We rely on the good judgment of our staff in the field. These are people who determine what the proximity criteria are. It may be 20 kilometers in some cases, less in others. It all depends on the area where the commercial fleet normally fishes. Various municipalities fish in various places. We take that into account.

Essentially, if there is some fishing activity at a given harbour, we consider it an essential harbour. The other criterion we consider is the users' desire to establish a port authority and to take responsibility for the harbour's management and operation. If users and the community decide to form a port authority, there's a certain amount of fishing activity. Then we consider it an essential harbour.

We use our harbours for other purposes. Some are very important, but we don't take that into account in our definition of essential harbours. However, we do take into account those other uses when we divest the harbours. That's why we generally agree to make reasonable repairs to our harbours before divesting them. The intention is to ensure that the communities or organizations that take possession of them can maintain service. Even if it's not a necessary service for the commercial fishery, it's nevertheless an essential service for the community. So we agree to make repairs before divesting the ports so that those facilities can continue to serve the community.

[English]

**The Chair:** Merci Monsieur.

Mr. Matthews, ten minutes.

**Mr. Bill Matthews (Random—Burin—St. George's, Lib.):** Thank you very much, Mr. Chair.

To follow up on Mr. Blais' comment and question about core harbours and divesting, I have found that this usually becomes the biggest problem when you're asking fishermen to go to a core harbour that's further away from their traditional fishing grounds. That's usually when you get the biggest objection. It may be something very difficult for you to determine. I have found that quite often if you ask them to move from their harbour to a harbour that's closer to their grounds, a lot of times they'll be more receptive to it, but when you take them 15, 20, 25, or 30 kilometres further away from their fishing grounds, it's obvious that it's going to cost them more money to fish and so on. That's what I find is the biggest objection, but that's just a comment.

You say your objective is finally, if you get things to work, to get down to 750 core harbours, which means you'll have to divest several more, I guess. That's my understanding.

• (1010)

**Mr. George Da Pont:** Yes, we would have to divest, I believe, around 300 to 320-odd more harbours to get down to that number.

**Mr. Bill Matthews:** Do you think that's reasonable, looking at what's happened with the divestiture programs so far? Do you think it's realistic that you can really divest that many more harbours in the next number of years?

**Mr. George Da Pont:** Yes, Mr. Chairman, we do think it's realistic, because we have about 300 harbours now that are ready to be divested if we had the funding. There's interest on the part of local communities or local associations to take them over. There is actually a pent-up demand.

Quite frankly, in a number of parts of the country, particularly in Quebec, parts of Ontario, and the prairies, we are actually getting a lot of pressure from communities that are anxious to proceed and want to proceed. If a harbour is not slated for being part of the harbours inventory that's essential to the fishing industry, as was mentioned in response to the previous question, our investments are minimal and you do see a steady deterioration as a result. The communities obviously have a strong interest in trying to accelerate the divestiture program as best they can.

**Mr. Bill Matthews:** I noticed in your budget breakdown of moneys allocated, you have grants and contributions of I think half a million dollars. There's an aspect to small craft harbours that I don't fully understand, because I really haven't been involved in it I guess in any situation in the area I represent on behalf of my people.

Is that where these contribution agreements come from? If it is, or if it's not, could you explain to me what a contribution agreement really is? I understand it's sometimes done with property that's not owned by small craft harbours, whether it's a wharf or something else. Could you explain that to me?

**Mr. George Da Pont:** I'll start first with the general question. The half a million dollars you see there for grants and contributions is just one of the techniques we use to expedite divestiture. We have basically two possibilities: one is that we repair the harbour ourselves and then turn it over once it's repaired; or, depending on the agreement and the wishes of the community, we turn the harbour over to them and then we give them a one-time grant in lieu of having made the repairs ourselves. It's simply a mechanism, as we use it in the program, to facilitate the transfer of the harbour, depending on who does the actual repairs, whether it's done first by the department and transferred or whether we transfer a certain sum to the community or group that's taking it over and they do the repairs.

**Mr. Bill Matthews:** I'm not really clear because I know there have been instances in the last number here where some facilities have been repaired under some kind of a contribution arrangement or agreement. How does that work?

**Mr. George Da Pont:** That would actually be a grant, I believe.

I'm not sure if we use the contribution, Robert, on that.

**Mr. Robert Bergeron:** There are a few cases, very rare, where in the past we have funded harbour projects with contributions. Usually it's because we didn't own the property, so we provided a contribution to the community in order for them to repair a harbour or to build a new facility.

As I say, we don't do this very often. We do this when there is a great need for repairs. The reason why we don't do this very often is, as you know, we try to keep the budget for the program for repairs to facilities owned by the program.

•(1015)

**Mr. Bill Matthews:** Is it a requirement then under one of those arrangements that there be matching funds or a cost-sharing arrangement of the project from other sources?

**Mr. Robert Bergeron:** Nowadays when we do this—and, as I say, we do it very rarely—we usually fund up to 75% of the cost of the project. This is the authority we have, to contribute up to 75%.

**Mr. Bill Matthews:** How much money will you spend this year for dredging?

**Mr. Robert Bergeron:** For dredging I think it's in the order of about \$6 million overall.

**Mr. Bill Matthews:** Would that mainly be smaller-scale dredging of channels and things as opposed to dredging harbours, which at one time we were big on? Would that be the smaller-scale kind of dredging?

**Mr. Robert Bergeron:** Yes. In most cases it's recurring dredging, just to maintain the harbour as functional for the coming fishing season. From time to time we do major dredging as part of a major capital project. When we are building a new harbour, a new basin, and so on, then we have to do major capital dredgings. But most of the dredging we do is maintenance dredging.

**Mr. Bill Matthews:** Mr. Chairman, through you, what I find again most times is every year or two years, because of ocean conditions or whatnot, you have a channel that gets filled or partially filled, or because of runoffs into the streams and so on. But what I find is that quite often we're unable to get money approved to do this dredging. The fishermen can't fish because they can't get to the grounds, because the dredging is not done, because our budgets are not approved in time.

I know it's a budget issue, but is there any way we can deal with that? I get calls every year from people saying, "If the channel is not done by such a time, Bill, we're not going to be able to go lobster fishing". You call the small craft harbours representative and he says, "Look, Bill, our budget hasn't been approved". So it's one hell of a dilemma. Is there any consideration the department can take or give to address that issue? I know you must face it every year. I know I do.

**Mr. George Da Pont:** Again, that's a very fair comment. We work very hard to try to improve the timeframes around getting final decisions on budget projects. I know one of the criticisms we had, not just on dredging but in general, was that sometimes the decisions were made so late in the year that it pushed some of the work into higher-cost seasons and so forth.

In the last two years, and this was very much at the insistence of the minister, we have greatly improved the timeframes and we have made all of the basic budget decisions much earlier than has been the case in the past. Generally this year they're almost all approved and announced. I appreciate we probably still need to improve this better to get it much closer to the beginning of the fiscal year, and we are working at that. But I think those timeframes are coming down significantly.

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

There's still a little bit of time left, so I'm going to take it. I'm hesitant to ask a question on a subject matter about which I know absolutely nothing, but I am going to venture forth.

I'm a little confused about this contribution. Is the contribution portion restricted to small craft harbours that are not owned by DFO?

**Mr. George Da Pont:** No. The vast majority of our money is spent on harbours owned by DFO. It's extremely rare that we have made any contribution to a harbour not owned by DFO. As Mr. Bergeron has noted, in the past few years there has been the odd situation. Quite frankly, in the time that I've been involved in the program, I can remember, off the top of my head, only one such situation in the last two and a half years.

**The Chair:** Mr. Da Pont, I'm even more confused. You use the contribution portion to repair your own small craft harbours?

**Mr. George Da Pont:** No. We use the contribution portion as part of the divestiture program, the grants and contributions portion.

In transferring a harbour, we do bring it up to a reasonable state of repairs. In most cases the department does that work, funds it out of the budget, and then transfers the harbour to the local community or the non-profit association.



In some cases, the recipients would prefer to do the work themselves. In other words, they will take the transfer as is, but as part of the transfer we make a one-time grant or contribution in lieu of having done the repairs. Then the recipient uses that money to make the repairs.

• (1020)

**The Chair:** Where's the benefit there? If the repairs were to cost \$75,000, let's say, if you repaired it, it would cost the department \$75,000. If they want to take it over and you use the contribution, would you give them \$75,000?

**Mr. George Da Pont:** We would give them a grant. That would be a cap, yes, about the maximum—

**The Chair:** Then why don't you do the repair?

**Mr. George Da Pont:** Because often the recipient is in a much better position to line up matching funding from provincial governments and from other federal government departments. They may have a larger project in mind that would not be part of anything we would do as the small craft harbours program. Therefore, they'd prefer to get the money, and it would become part of a larger package where they've also accessed money from other sources.

**The Chair:** I see. Thank you.

Second round, Mr. Kamp.

**Mr. Randy Kamp:** Thank you, Mr. Chair.

I'll join you in asking a question or two about something I know little about. If I understand these figures correctly, about 70% of fishing harbours are under the operation of a harbour authority. Is that right so far?

**Mr. George Da Pont:** We have close to 700 harbours under the operation of a harbour authority.

**Mr. Randy Kamp:** How many of those are core harbours?

**Mr. George Da Pont:** I believe all of them are core harbours.

**Mr. Randy Kamp:** So if it's not a core harbour, it's not operated by a harbour authority.

**Mr. George Da Pont:** There are a few core harbours that are not yet operated by a harbour authority, but in most of them, a harbour authority is in the process of being put in place.

**Mr. Randy Kamp:** For those being operated by a harbour authority, is that done because it's considered to be a more efficient, effective way? I think that's one question. A follow-up would be, what mechanisms are in place to ensure that the environmental standards and safety standards, or whatever, that would come into play are being met? Does the department have data or do studies to determine that this system is working, that it is more efficient, it is more effective than another approach?

**Mr. George Da Pont:** Our belief, Mr. Chairman, is that it's far more effective. The great benefit of having a harbour authority program is that all of the decisions around the operation of the harbour—the administration of the harbour, the day-to-day activities of the harbour—are made by people who represent and are often part of the users of the harbour. So we do think it leads, obviously, to far better decision-making and much better local administration than would be possible if the program was trying to run it.

It's also very effective. As I mentioned, we have well over 5,000 volunteers who devote their time and effort to this. Obviously, if this was being run from the department, not only do we think it would be less effective and less sensitive, probably, to the local individual situations, but it would require a significant devotion of resources to basically provide a level of service. We'd have to hire a lot more people to try to do that work. It would take away, actually, resources that more properly should go to the actual repair and maintaining of the conditions of harbours.

In terms of the application of standards, as part of the arrangement with the harbour authority, they do apply all of the standards the department would normally apply. In fact, we've been providing assistance and training to ensure that environmental and all other standards and considerations are met.

Yes, we visit the harbours on at least an annual basis, that is, the vast majority, except for some of the more isolated ones. We're in constant and regular contact with the harbour authority. It's part of the active monitoring and assistance to try to ensure that all of the standards and the operations are going smoothly.

• (1025)

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

*Monsieur Roy, cinq minutes.*

[Translation]

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Thank you, Mr. Chairman.

For a few years now, I have observed how the harbour Divestiture Program has worked for small boats, and I must say it seems to me to be really very vicious. It's like a sling, but in reverse. In other words, the government is going to wind up getting a stone in the middle of its forehead. In fact, the process has already started.

When you divest harbour facilities, you repair them so that you can then turn them over to communities. After a while, to overhaul those infrastructures, you have to invest new funding, but most of the communities can't afford to do that. Even if it first takes it upon itself to restore them, the government is divesting itself of facilities that aren't profitable.

In Quebec, it divested the first facilities a few years ago. Today, the communities are now knocking on the doors of both levels of government because they can't afford to maintain or renovate those facilities. It's somewhat as though the government were ridding itself of the problem by handing it over to the communities and those communities were subsequently having to knock on the government's door.

I'm going to cite a very good example of that. Matane harbour was divested a number of years ago. People there tried for a long time to obtain funding. They ultimately got funding from the federal government, but through the Economic Development Agency of Canada. The Department of Fisheries and Oceans thus sloughed off a problem of its own onto the Economic Development Agency of Canada.

I understand you wanted to protect your budget, but, ultimately, that merely diverted the problem. It's been redirected elsewhere. People subsequently come knocking on MPs doors saying they can't afford to maintain the facilities. I have to admit that I find the Small Craft Harbours Divestiture Program a bit vicious and threatening for the future.

**Mr. George Da Pont:** Mr. Chairman, I'm going to respond, and then I'm sure my colleagues will add a few comments.

We have divested two classes of harbours. The first are recreational harbours. Although it may happen at times, there are rarely any problems in divesting that kind of harbour. However, those harbours have a stable revenue base because they apply a user fee system.

In most cases, once we've made major repairs and divested a port, a number of years go by before it's necessary to make that kind of investment again. That affords enough time to establish a fund to pay for repairs.

**Mr. Jean-Yves Roy:** I wouldn't want to interrupt you, Mr. Da Pont, but I'm going to discuss a typical case. In the Rimouski region, pleasure boats have to use the Fisheries and Oceans facilities because there was a divestiture a few years ago. The facilities are now completely antiquated. The community can't afford to invest in renovating them. This makes the situation difficult and dangerous. And a lot of pleasure boats and fishing boats get mixed up with each other.

Mr. Bergeron is no doubt aware of the problem Rimouski's experiencing. These kinds of problems are bound to increase in future, and very quickly. A community of 300 inhabitants simply can't invest \$3 million to repair a harbour facility, even if it's taken it over. I tell people who are in this kind of situation not to take over the facilities. When they come and see me, I tell them not to join the program and I explain to them that, in 10 years, they won't be able to maintain the facility in question or to ensure its survival. That's the problem.

•(1030)

**Mr. George Da Pont:** I'm not familiar with the situation in Rimouski. I don't know whether my colleague has that information.

**Mr. Jean-Yves Roy:** For example, a fishing boat sank in a storm because of that. It had to tie up at a place where it shouldn't have, and it hit bottom. Hello and goodbye.

**Mr. George Da Pont:** I've heard about a few cases like the one you're describing, but, generally, I get the distinct impression that the harbours Divestiture Program is very effective.

**Mr. Jean-Yves Roy:** Pardon me. Can you guarantee me that most of these communities will be able to invest substantial amounts to maintain facilities in 10 or 15 years?

**Mr. George Da Pont:** I can't give you a guarantee, but in many cases, we divested ports 10 years ago. To date, there have been no problems, except in a few cases. You're right, but, in general, I don't see any problems.

**Mr. Jean-Yves Roy:** I have one final question, Mr. Chairman.

What's the life expectancy of a harbour?

**Mr. George Da Pont:** That depends on the harbour.

**Mr. Jean-Yves Roy:** It's surely more than 10 years.

**Mr. George Da Pont:** It depends how the harbour was built, how it was constructed, with wood or concrete. It really depends on local conditions.

[English]

**The Chair:** Mr. Da Pont, the divestiture program is not mandatory, is it? It's voluntary.

**Mr. George Da Pont:** Yes, it is voluntary, and there obviously has to be an interest to take it on.

**The Chair:** Is it made crystal clear to the people who are accepting the divestiture, that's it, folks, there's no more money?

**Mr. George Da Pont:** Absolutely, that is made extremely clear as part of the divestiture program.

**The Chair:** You want to increase your chances, don't you?

**Mr. George Da Pont:** But in fairness, I do have to point out that given the funding situation, the vast majority of funding for maintenance is put towards the core fishing harbours. Therefore, we make very little, if any, investment in the recreational harbours we have and in non-essential fishing harbours. So really, the alternative to divestiture is to see a steady deterioration of the facility. I don't want to paint a completely rosy picture, because the decision very often has to be made at the community level.

**The Chair:** All I'm asking is if it's clear to those who are accepting the responsibility that the future is theirs and not the department's.

**Mr. George Da Pont:** Absolutely.

**The Chair:** All right.

Mr. Stoffer.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Chairman, I arrived late this morning because I had to get my physical to see if I was okay for tonight!

**Some hon. members:** Oh, oh!

**Mr. Peter Stoffer:** I'm fine now. Thank you very much.

I do have two questions, but I'd like to wait for the second round. I'd like to give my colleague, Mr. Blais, my speaking time, if possible.

**The Chair:** That's no problem. Five minutes is five minutes.

Mr. Blais.

•(1035)

[Translation]

**Mr. Raynald Blais:** Thank you very much. If you have any physical problems, you definitely don't have any mental problems because you're acting in a very intelligent way by leaving me a little time.

A new phenomenon is occurring increasingly frequently in our communities and ridings, and that's the multi-purpose fishing harbour. I'd like the department to be more receptive to this new phenomenon because it's reducing the fishing fleets and there are fewer boats now than there used to be. In communities like ours—I'm thinking of the riding of Gaspésie—Îles-de-la-Madeleine, people are realizing that a wharf can have a number of users. That can also mean revenue for the port authority, which claims it's exhausted, that it has a lot of problems and not enough money to deal with them. Lastly, the port authorities can generate a kind of additional revenue, but you have to accept the principle of a multi-purpose harbour. If that's accepted, fishermen won't be the only ones using the wharves. There'll be commercial and tourist users, as is the case in recreational harbours. I'd like the department to be more receptive to that than it currently is.

Are you prepared to reassure me on this matter?

**Mr. George Da Pont:** Yes. The department is open to changing the program's mandate. We've already spoken a number of times with the representatives of the people who manage the harbours. We know there are now all kinds of other users.

The program's mandate is currently based on commercial fishing activities. That's the top priority. We take all other activities into account, but they're secondary priorities. We've spoken with the representatives who manage the harbours about the possibility of expanding the mandate. We're ready to consider that because that's somewhat part of the vision for the program's future. However, those people are a bit reluctant and concerned. They tell us that, if there aren't more funds for the program, they prefer to keep the present mandate because they're afraid of sharing too much money with the people who handle activities that are now considered secondary priorities. So they're open to talking about it, as we've already done, but the message is they'd like us to address budget questions before expanding the program's mandate.

**Mr. Raynald Blais:** Let's make things clear. I'm not saying the marinas shouldn't exist anymore, not at all. At some harbour facilities, there's fishing activity, but there could be other activity, which would be secondary and would enable the port authority to obtain another source of income. That might be tourist income. The marinas have their purpose. A marina facility is definitely important in a community, particularly if it has its own breakeater, as is the case in Gaspé and the Madeleine Islands. We don't want to involve everyone in that.

I could give you specific examples of port authorities, like Cloridorme and Anse-à-Beaufils in my riding, where there are secondary activities. Those people are open to this option. That's why I'm seeking the department's cooperation and openness.

**Mr. George Da Pont:** You make a very good point, and we entirely agree. We'd like to encourage this type of development in order to secure more revenue. It's a very good idea.

Now there is a certain obstacle. The federal government still owns the land. As a result of current policies and authorities in place, sometimes there are certain obstacles. In some cases, it's very hard to give approval for this kind of activity. We discussed this matter again with harbour representatives, and we'd like to change that. Following the more general consultation we're conducting, we intend to try to

change the program authorities in order to better facilitate this type of development.

We're really open and we're discussing the situation with harbour representatives.

• (1040)

[English]

**The Chair:** Merci, Monsieur Da Pont

Mr. Murphy.

**Hon. Shawn Murphy (Charlottetown, Lib.):** Thank you very much, Mr. Chairman.

I don't think I need all of my time. I just have a couple of questions, maybe for Mr. Murray and Mr. Bevan. I just want to talk about fisheries management policy and small craft harbours in particular.

In dealing with this whole issue of the financing of small craft harbours, how is it done in other jurisdictions that you're aware of internationally? We come here twice a week and the same themes emerge: there are not enough resources for science, enforcement, habitat protection, dredging, safety, and, of course, small craft harbours. I'm not too sure there are ever going to be enough resources, yet we have a fisheries structure in Canada where fishers fish on a permit issued by the minister, fishing a common resource owned by the people of Canada.

What is the experience in other jurisdictions with successful fisheries? Are the small craft harbours and fishing wharves paid for by the public out of the general revenues of the country, or are they perhaps paid for by fish revenues, or is there some other source? What works in other countries? I'm not so sure this is working.

**Mr. George Da Pont:** Actually, maybe with your indulgence, Mr. Chairman, I can start, because again it's a very good question.

I think two or three years ago the department commissioned a study of just that point, on how small craft harbours, or the equivalent of small craft harbours, are managed in other jurisdictions, and we looked at the situation in a variety of other countries.

Quite frankly, if I recall correctly, there are a variety of other models. We're one of the few countries that has a model where the government owns the small harbours and has the type of responsibilities it has. In most of the other jurisdictions, the harbours are managed, owned, and run by local communities under a variety of different arrangements.

**Mr. David Bevan (Assistant Deputy Minister, Fisheries and Aquaculture Management, Department of Fisheries and Oceans):** I think there are different strategies. For example, in Iceland they moved to have designated landing ports, which reduced the number of ports substantially. I don't know who pays for the activities, however, in Iceland.

New Zealand and Australia both moved to have a very significant cost recovery, so most of the costs of the fishery, whether it's patrol ships, auditing, compliance, science, etc., is covered by the actual industry. I'm not quite sure if that covers the ports themselves, but I would think that if you have to pay for all your science and your enforcement, with that kind of policy you would probably be paying for your port access as well.

**Mr. Larry Murray:** If there's an interest, Mr. Chair, we'd be happy to provide the study to the committee that Mr. Da Pont referred to.

**The Chair:** And particularly if we ever get around to undertaking what the minister asked us to do, which is to take a look at the Fisheries Act and renewal, this would be a very interesting subject matter.

**Hon. Shawn Murphy:** Yes, I think that's a good point. That would be an interesting study.

**The Chair:** Yes, we would like that, if you wouldn't mind. Thank you.

**Hon. Shawn Murphy:** I have nothing further, Mr. Chairman.

**The Chair:** Thank you.

Mr. Keddy, round three.

**Mr. Gerald Keddy:** Thank you, Mr. Chairman.

Further to Mr. Murphy's question, I think what he was looking for was the American example, where the American government looks after breakwaters, dredging, navigational markers, and coast guard, and they don't do anything on the wharf infrastructure, to my knowledge. I think that's the example he was looking for, and I would have thought he probably knew that, but it's just a comment.

The difference, of course, is that we have two issues under discussion here. We have recreational harbours and core fishery harbours, and there is a difference. The government has divested their interest in some of what at one time would have been classified as a core fishing harbour, but they simply don't have boats fishing out of them any longer.

So the core fishing harbours have opportunities, as I understand it...and I just missed the last of Mr. Blais' question when I came in. The core fishing harbours have access to government funding that is not available to all harbour authorities if they're no longer a core fishing harbour. Is that correct?

• (1045)

**Mr. George Da Pont:** Yes, that's correct, in the sense that almost all of the funding for the small craft harbour program goes to the core fishing harbours. There are very limited investments in others.

**Mr. Gerald Keddy:** And there was some discussion earlier, Mr. Da Pont, about the amount of work that's done to the wharf, or to the harbour, or perhaps to a breakwater, prior to the divestiture. But in all honesty, that's an incentive supplied by the Government of Canada to encourage the groups to take over the harbour, because after that the federal government has no claim or responsibility, especially for the recreational harbours or ones that have been passed off to a municipality or a province.

**Mr. George Da Pont:** Yes, exactly.

**Mr. Gerald Keddy:** I wanted to make that clear.

So if we come back to the core fishing harbours, where you actually have fishermen making a living, where you have a dozen boats or more, or eight boats, fishing out of a harbour, and they're all different and there are a number of them around... Say a little harbour in Shelburne County is applying for some infrastructure money; Fox Point Harbour Authority is doing the same thing, and Woods Harbour is the same way. At any one time, there are probably half a dozen or a dozen harbours looking for some additional funding, and certainly this is true in South Shore—St. Margaret's.

Where I'm headed with this is the government's responsibility in regard to Mr. Murphy's question. I'm making more of a statement here—and I realize I only have five minutes, Mr. Chair.

**The Chair:** You have two minutes.

**Mr. Gerald Keddy:** I realize I only have two minutes.

The issue becomes... We have a transportation system in this country, and the government builds the roads. We pay tax dollars towards it. We have a huge fishery, and we still have a fairly significant fishery in Southwest Nova. In South Shore—St. Margaret's alone, we probably still have in excess of 1,700 or 1,800 boats fishing. There is a huge contribution to the local economy, probably close to several hundred million, maybe a billion dollars, in that area. There is \$500 million in the scallop landings. And there's the lobster industry, and there's the ground fishery, even though it's in decline.

So my comment is that this industry is making a contribution. The government makes a contribution with our transportation system, so why would we not make a contribution with our fishing infrastructure for core fishing harbours? I'm not talking about marinas or the recreational industry, although I understand the importance of it. I still see a very strong responsibility on behalf of the federal government to maintain your basic core fishing harbours.

**Mr. George Da Pont:** I don't think we disagree, Mr. Chairman. That's what the small craft harbour program represents. It is that investment.

**Mr. Gerald Keddy:** Thank you.

I have another question on the recreational aspect that was mentioned previously. It's my understanding that even with the core fishery harbours there can still be a recreational aspect. A certain number of boats can still be recreational boats. There is still a matter of safety, especially for someone who is sailing up the coast, if they need to come in out of a storm, and that actually can be used to justify a core fishing harbour and a fishing wharf.

**Mr. George Da Pont:** Yes.

**The Chair:** Excellent. Right on time.

Monsieur Roy.

[Translation]

**Mr. Jean-Yves Roy:** I only have a brief question to ask; then I'll hand over to Mr. Blais.

I'd like to go back to the question you asked earlier, Mr. Wappel, because I thought it was completely wrong. I usually agree with you, but not this time, and I'm going to explain why.

You say it's a voluntary program, Mr. Da Pont. You let infrastructure deteriorate to the point where it's about to disappear, and you tell people that if they don't take it over, you won't repair it. You call that a voluntary program? It makes no sense. You tell the communities that you won't maintain the infrastructure and that, if they want it to continue, they have to take charge of it. That's not a voluntary program. I call it blackmail.

**Mr. George Da Pont:** I'm not sure that's really a question.

• (1050)

**Mr. Raynald Blais:** I'm going to ask you one. Do you find it normal for the communities to be required to take charge of facilities that you let deteriorate?

**Mr. George Da Pont:** The government's current policy is to give priority to essential fishing harbours. To date, the program has been a success. In some cases—and we're aware of them—there are problems, but, to date, I generally don't get the impression that's widespread.

The other change concerns recreational harbours. They're a very solid source of revenue, which isn't the case of the fishing harbours. I'm not concerned about the future of the harbours that have a stable revenue base. In the other cases, following the harbour's divestiture, the communities have managed to develop their harbour and to find creative ways of managing it. I know they're able to do it. It's normal to look for other federal or provincial government programs, but I really get the impression this is working very well.

**Mr. Raynald Blais:** There may be millions more dollars in the information Mr. Murray gave us earlier, but I'd really like to understand what was said about the \$20 million a year, the \$30 million a year and so on. Does that mean that, starting in 2007, you'll be seeking \$30 million in additional funding, or does it mean you'll be seeking it starting next year?

**Mr. George Da Pont:** I'm hoping for an increase as soon as possible. So we're trying to get additional funding for next year. That's what the minister said, but the priority is to maintain existing funding.

**Mr. Raynald Blais:** Did I understand that you want to increase the \$20 million figure to \$30 million?

**Mr. George Da Pont:** No. We want the current \$20 million and an additional \$30 million.

**Mr. Raynald Blais:** That would be \$50 million.

**Mr. George Da Pont:** Yes.

**Mr. Raynald Blais:** We're approaching something much more appropriate to actual needs, which, I would remind you, are \$500 million, according to your own estimates. If I spent my time—unfortunately, I don't have the time to do it, but perhaps I will—checking wharf by wharf to see how much it would really cost to renovate them, I'd arrive at a figure greater than \$500 million.

**Mr. George Da Pont:** I rely on our study because, when you make repairs, you don't exactly build what was previously there. Sometimes you need more complex, larger structures, sometimes smaller structures. It depends on how they'll be used. What currently exists isn't necessarily adequate. Future needs are the best guideline. That's what we have to do.

**Mr. Raynald Blais:** I don't have any problem with your study; I consider it a starting point.

[English]

**The Chair:** Mr. Stoffer.

**Mr. Peter Stoffer:** Thank you, Mr. Chairman.

I was wondering if you could give us some information on the fiasco surrounding the divestiture of the Digby Wharf. By all accounts, this was just simply not done properly. All kinds of money went to a particular authority and no money was spent to repair the wharf. The wharf is not now in good shape. It's a major infrastructure for the community of Digby. If Mr. Thibault was here, the former minister, he'd probably have some questions on this. Could you at least brief us on what's going on? If not, I would like you to supply the details, and the story behind it, to the committee.

• (1055)

**Mr. George Da Pont:** Mr. Chairman, we are not in a position to do that. That transaction was handled by Transport Canada, not by DFO and the small craft harbours program. So the briefing and the information would have to come from them.

**Mr. Peter Stoffer:** Is that the only wharf in Canada that was handled under Transport?

**Mr. George Da Pont:** No.

Again, I'll let Mr. Bergeron answer, because I know he has more of the details on this.

**Mr. Robert Bergeron:** Transport Canada is responsible for all the major ports and the regional ports in Canada. This is their policy, to divest all of the regional ports. Digby was one of them, so this was transferred to a local organization by Transport Canada.

**Mr. Peter Stoffer:** So—correct me if I'm wrong—the Digby wharf is not considered under the small craft harbours program. It was under Transport Canada, but Transport Canada had the same sort of program you have in terms of divestiture?

**Mr. Robert Bergeron:** It's slightly equivalent. In addition to providing funding for actual repairs to the facility, they provide some funding for the future operations of the facility, which we don't provide in DFO.

**Mr. Peter Stoffer:** Okay. Well, *quelle surprise*.

I have a local question in my own area of Eastern Passage. I have noticed this and other wharf concerns.

You say in your presentation, "SCH makes reasonable repairs or provides an equivalent financial incentive to recipients to facilitate harbour disposal." But I've noticed in a couple of cases that a road was paved to a particular wharf, and the wharf is falling apart and nobody uses it. It's somewhat that the left hand, either with the municipal, provincial, or federal aspect, is not talking to the other part, because why would you pave a road, grade it and fix it, to a wharf that is no longer going to be operational?

In Eastern Passage, in my riding, if I'm not mistaken, the road that goes to the wharf, from our accounts, is under small craft harbours' responsibility. That's the information we're getting, although it is confusing, because when we speak to small craft harbours in Antigonish, they say it is, but when we speak to Mr. Bellefontaine's office, the regional director, they say it's under the public works department. So we're a bit confused on that.

I know it's a local issue. Is it possible to get from you any information on that, as to who I should go to in order to get that road fixed? This particular wharf, as you know, in Eastern Passage, is a major infrastructure for all those fishermen.

**Mr. George Da Pont:** We'd have to look into that one and provide the information.

**Mr. Peter Stoffer:** Does small craft harbours have responsibility for any roadways or pathways to wharves?

**Mr. Robert Bergeron:** It depends on specific sites. Sometimes we own the access road, but most often the access road is owned by the local municipalities and we have nothing to do with their maintenance. But there are a few exceptions, depending on the length of the access road.

**Mr. Peter Stoffer:** Okay.

Thank you, Mr. Chairman.

**The Chair:** Mr. Simms.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-  
sor, Lib.):** Thank you, Mr. Chairman.

I'm going to start with the question basically about the nature of the industry itself, the inshore industry in my riding in regard to small craft harbours and that the ships doing the bulk of the fishing now are becoming much larger. The straining point here becomes, do you fix up wharves that are already there to accommodate small vessels, or do you extend the current ones to accommodate the larger vessels? What kind of pressure does that put on you regarding where this money goes?

**Mr. George Da Pont:** It's one of the things we take into account in terms of looking at what gets repaired and what gets done. We do try to take into account where the local usage is going, the changing needs of the industry.

Sometimes that requires, when it comes to doing major work, putting in larger structures, planning to accommodate more vessels. Sometimes it means the reverse, that you are putting in place structures to accommodate fewer vessels. So when it comes to making major repairs, that's one of the key considerations we take into account: what are the needs at that point in time, and how do we see those needs evolving? That is done in close consultation with the harbour authority.

• (1100)

**Mr. Scott Simms:** Where do you lean towards? Is it the number of vessels you have to consider or is it the amount of fish they catch?

Do you know what I'm asking here? Basically, where do you favour...? Where do you lean towards the money being put?

**Mr. George Da Pont:** I think we generally go with the vessels, because it's the vessels that have to dock there. So it's the number of vessels, the types of vessels, the size of vessels. Then, as a secondary

consideration, we would take into account other users. If there are recreational, tourist, or aquaculture users, they would get a secondary consideration, but in the planning process, actually the priority is the commercial fishing industry and the number and size of vessels and how—

**Mr. Scott Simms:** The number and size of vessels?

**Mr. George Da Pont:** Yes, because those obviously are the key factors to take into account.

**Mr. Scott Simms:** So a wharf that accommodates eight small boats may be in one location, while the next wharf down the way accommodates only two or three, but they're larger vessels?

**Mr. George Da Pont:** There would be all kinds of variations, depending on the fishermen who use the wharves. The situation would vary considerably.

**Mr. Scott Simms:** I'm a new member of Parliament, and I've always prided myself on being non-partisan. Given the situation before us tonight, I would like to throw just one in there before we possibly go to an election.

My question is, if the government falls tonight, what happens to the investment in small craft harbours?

**Mr. George Da Pont:** Obviously, the budget for this year is set by the main estimates, which you're considering. They are implemented by the budget bill. But there are also core ongoing operations of government. Normally, departments get an interim supply that runs until the end of June while parliamentarians debate and approve the main estimates through the budget process.

**Mr. Scott Simms:** What happens at the end of June?

**Mr. George Da Pont:** Should circumstances lead to the budget's not being approved, there is a system in place whereby the core operations of government could continue to function under special warrant until another government makes budget decisions. So in respect of the \$86.1 million, we would continue to plan and make these expenditures in accordance with what's planned here.

**Mr. Scott Simms:** How about foreign overfishing surveillance?

**Mr. George Da Pont:** For new items in the budget—and the budget isn't passed—we would have to take direction from the Privy Council Office.

**Mr. Larry Murray:** The direction is clear in that case, in my opinion. We would maintain the presence out there to prevent foreign overfishing. With respect to this committee's recommendations about more visible enforcement in Southwest Nova Scotia, the Fraser River, and so on, we would give effect to our operational direction during a period of uncertainty.

There's still a minister. The minister continues to function. In respect of core government operations, we would use our best judgment and give our best advice to the minister. We would carry on doing things that this committee would be comfortable with.

•(1105)

**The Chair:** Being a new member, I allowed you an answer to a question that has nothing to do with small craft harbours. He snuck that one in on me while I was having a coffee.

Mr. Keddy or Mr. Kamp, any questions on small craft harbours?

Mr. Keddy.

**Mr. Gerald Keddy:** I have a couple of quick questions.

What we've seen in Southwest Nova is a crowding of the core fishing harbours. In most of them, like Port Mouton, the wharf is full. There's a lot of difficulty in getting additional boats in. When all of the boats are there, they're rafted onto one another. We've seen the same thing in a number of other harbours. If there is a certain number of boats at sea, that's one thing, but when they're all at port, just about every core fishing harbour is full to the brim. I'm wondering, based on Mr. Simms' question about our crowded harbours, if there's any potential for wharf extensions and additions. I realize the funding dollars are always tight, but there's a real need here.

There are a couple of other things that government departments should be looking at as well. One is the distance from the fishing grounds that some boats have to go. If you're living in Gunning Cove, there should be no reason why you have to put your boat in Port La Tour or West Port L'Herbert. You have a three- or four-hour steam just to get to that harbour. Is there a plan to accommodate this pressing need?

**Mr. George Da Pont:** Yes, we're very cognizant of that. As you can imagine, we do get a lot of pressure from that area and from a number of other areas that are facing exactly the same situation. We are trying to develop a strategy, a better forward-planning strategy, that would inform our investments. Obviously one of the key things that we would take into consideration is the evolving and changing nature of the needs and the industry because that's a critical part of any good life-cycle management of the wharves.

Our challenge is that right now we still have about 20% of the core fishing harbours that are in poor condition and in major need of work. We have made, obviously, safety and security the key element in determining priority so it gets by far the most weight. I think we see ourselves moving, and we're trying to move as best we can, in the direction you're articulating, given our current resource framework. But without getting an overall improvement in the current state of the core fishing harbours, it's a challenge for us to integrate as much of the forward-looking planning that you're suggesting into the decision-making. We're clearly working with the harbour authorities on that, but it is limited.

**Mr. Gerald Keddy:** Thank you for that answer.

The other question—and I don't know if you have this at your fingertips or not—is in southwestern Nova Scotia in particular, in South Shore-St. Margaret's, which would run from Prospect Bay down to Charlesville, which is just before you get to Pubnico, how many core fishing harbours are there? Do we know?

**Mr. George Da Pont:** That I don't know off the top of my head. We would have to look and get that information for you.

**Mr. Gerald Keddy:** If you could, I'd appreciate it.

Thank you.

**The Chair:** Thank you.

Monsieur Roy.

[*Translation*]

**Mr. Jean-Yves Roy:** Thank you, Mr. Chairman.

Mr. Da Pont, if I clearly understood your response to Mr. Simms, you can do without us for a while. That's not a problem, particularly since that wasn't the subject of my question.

You referred to storms, and, according to scientific forecasts, they're bound to increase considerably, particularly in the Atlantic. That clearly causes problems for infrastructures.

Does the departmental budget provide for any emergency funding for infrastructures that might be damaged by storms, or would the capital budget simply be used?

•(1110)

**Mr. George Da Pont:** We have an emergency fund, but it's fully allocated at the start of the year. We don't want to keep it for too long, particularly when we're under all kinds of pressures. To date, we've managed to find additional funds to make repairs, particularly after Hurricane Juan hit in 2003.

That year, we had to repair wharves in Nova Scotia and Newfoundland. Most of those repairs are covered by the current budget. As I previously said, we're trying to get additional funds for this year, but we haven't managed to do so thus far.

We're trying to give priority to repairs that have to be done on an emergency basis. In addition, as I mentioned a few minutes ago, we've begun a study to examine structures and ways of building them. The purpose here is to make them safer by ensuring that their construction makes them more resistant to storm impact.

**Mr. Jean-Yves Roy:** Judging from your answer, you have an emergency budget, but it isn't adequate, and you dip into the regular budget when there are storms. Does that mean that, if a major storm hit and you had to invest \$10 million, the \$20 million set aside for maintenance, repairs, divestiture and so on would no longer be available?

**Mr. George Da Pont:** In previous years, we've always found additional funding to meet needs of that kind. This year, we've done the planning within the current budget, but we're still exploring the possibility of obtaining additional funding.

**Mr. Jean-Yves Roy:** Mr. Bergeron, do you want to add anything?

**Mr. Robert Bergeron:** I'd like to add that it all depends on when the storms occur. This year, the storms hit in December. There were also storms in March. That enabled us to assess the damage on time for the start of the current fiscal year. In this year's budget, we were able to set aside funds for necessary repairs. This year, I believe we're allocating about \$6.5 million to repairs to the damage that was recently caused.

Mr. Da Pont said that, when the reserve we have at the start of the year isn't used for emergencies such as that, we quickly select projects in order to use it. We want to avoid winding up at the end of the year with large amounts that we can't spend, because the building season for small craft harbours is very short. In general, if we don't start our projects in the spring or in early summer, we can't spend our budgets. That's why we try as much as possible to commit the entire program budget at the start of the year.

If we've identified repair needs at the start of the year, we use the reserve to meet them. The rest of the reserve is used for other projects. If other storms or unforeseen circumstances occur during the year, we have a problem. We turn to the department and we ask it to try to help us by granting additional funding. Year over year, we nevertheless receive a few million dollars in additional funding from the department to assist us in dealing with unforeseen circumstances.

• (1115)

**Mr. Jean-Yves Roy:** I have one very brief final question, Mr. Chairman.

In recent years, have you seen an increase in the number of storms of this kind? Is infrastructure being increasingly damaged?

**Mr. George Da Pont:** Yes.

[English]

**The Chair:** Merci.

We have 15 minutes left, colleagues. I have two questions I'd like to put to the deputy minister that have nothing to do with small craft harbours. It's just to get them on the record: if, if, and if—if you'd just keep your thoughts in that regard.

Mr. Stoffer.

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

On the Transport Canada issue, how many wharves similar to Digby does Transport Canada have control of in Canada today, approximately?

**Mr. Robert Bergeron:** If we go back about 10 years, they had around 500, but I couldn't say how many are still in their ownership at this time.

**Mr. Peter Stoffer:** We talked about the issues of Nunavut and infrastructure up in Nunavut. If indeed some harbours were to be built or new initiatives taken for the people in Nunavut in those areas, would that fall under your department or would it fall under Transport Canada?

**Mr. Larry Murray:** The challenge for Nunavut is that they've never been part of the small craft harbours program. The discussion when the minister was here, the initiative working with Nunavut to define an agreed definition—and we'll have the report shortly—I gather involves seven small craft harbours and \$35 million, in round figures, over five years. We would see that coming to the small craft harbours program, and it would be in addition to the augmentation I spoke to earlier.

So we would see it becoming part of the small craft harbours program, but how it is funded initially is an interesting question. Does it go forward as part of the northern strategy? Does it go forward as part of a small craft harbours strategy that we move

forward? The actual methodology of how you would get there isn't yet determined. We don't have the report yet, but certainly the minister has been clear: we would move it forward with priority and try to ensure that Nunavut has small craft harbours as soon as we reasonably could, in whatever is the most appropriate way to get to the finish line.

**Mr. Peter Stoffer:** My last question to you is on Mr. Roy's question about the storms in Atlantic Canada.

As you know, we had Hurricane Juan, and a lot of the wharves, especially Fisherman's Wharf in my area, were severely damaged. Money came jointly from the federal government and the provincial government. My understanding is the money comes from Anne McLellan's office, which then works with the province in order to inject some funds to get the repairs done. Is the procedure then that they would come to you to get estimates of what it is, or would that come from a different department?

The reason I ask that is, if it happens again and we as representatives of the area need to go specifically to a department to speed up the process, would we go through you first in that regard, or should we go to the minister's office in that regard?

**Mr. George Da Pont:** You're probably going to find this response more complicated than you would like.

It depends on the situation. If it's our federal property, such as the wharves, which we own and have responsibility for, we would have to plan for the repairs.

I think the types of expenditures you were referring to would come out of the disaster relief fund, which is a federal-provincial program that is set up. It deals, though, generally with issues beyond things that are owned by the federal government. In other words, small craft harbours can't access that program.

**Mr. Larry Murray:** In relation to that, let me say that we found in that situation that everybody came together very quickly, but it was actually, in a sense, for whatever the need was. In our case, small craft harbours coming to us actually expedited the thing, and we moved some money to that as well as to the other.... In a scenario like that, if people go to those who they normally go to for whatever the particular thing is, it probably moves more quickly. But on that one, with our people, the province, local communities—everybody—it worked a treat, and the money came from various sources.

But I think if people go to those who they normally go to for whatever is the particular chunk of the disaster, that's probably the best way to do it. Then we go after money from other places, but in the meantime the thing is moving forward, and we get some money or we don't, but at least the repairs are happening.

• (1120)

**The Chair:** Thank you.

Mr. Matthews.



**Mr. Bill Matthews:** Do we have all of the small craft harbours allocations completed for this year, or are we still in that process? If we don't, when do we expect to have approvals, in light of your reference to short construction seasons, which for different parts—particularly of northern Newfoundland and Labrador—is really a big issue? Can you comment on that?

**Mr. George Da Pont:** We have them all allocated, and the vast majority have already been announced.

**Mr. Bill Matthews:** It's all allocated?

**Mr. George Da Pont:** Yes, in terms of the major projects.

**Mr. Bill Matthews:** So it's no good my screaming blue murder today and thinking I'm going to get another few million for my vote tonight.

**Mr. George Da Pont:** I think that would be a tall order, sir.

**The Chair:** Okay. That's it?

Are there any other questions on small craft harbours from anybody?

Monsieur Roy.

[Translation]

**Mr. Jean-Yves Roy:** You're no doubt familiar with the Institut Maurice-Lamontagne in Mont-Joli. A piece of infrastructure was built there 15 years ago by the Minister of Fisheries and Oceans at the time, who was my predecessor and who became a senator. The wharf in question never had any protection. So it was never used.

Is there any intention to invest in protecting this half-facility which is currently attached to the Institut Maurice-Lamontagne?

**Mr. George Da Pont:** Mr. Chairman, I'm not familiar enough with the local situation. We have to try to find the information.

**Mr. Jean-Yves Roy:** How many research institutes are there at Fisheries and Oceans Canada?

**Mr. George Da Pont:** There are 13.

**Mr. Jean-Yves Roy:** So that's one of the 13.

**Mr. George Da Pont:** Yes, I know. I'm quite familiar with the Institute, but I'm not aware of the situation you refer to, sir.

**Mr. Jean-Yves Roy:** All right, thank you. That's fine.

[English]

**The Chair:** Are there any other questions on small craft harbours?

Mr. Kamp.

**Mr. Randy Kamp:** For my own information, what's the relationship of small craft harbours' program to, say, the aboriginal fishing strategy? They have some harbours or wharves, I assume. Are they still owned and maintained by the small craft harbours program?

**Mr. David Bevan:** Once in a while there is an issue with respect to wharves relevant to first nations fishing, and that would be covered by small craft harbours in those cases. I'm not aware of any significant funding through the aboriginal fishery strategy. Most of that is for the agreements and the monitoring, etc., of the fisheries.

**Mr. George Da Pont:** The only thing I would add is that as part of some of the arrangements and agreements that were put in place in responding on the east coast to the Marshall program, there were

undertakings to improve some facilities and to construct some facilities, so that has been under way. They are part of the small craft harbours program.

**The Chair:** Are there any other questions on small craft harbours?

Now for something completely different.

Deputy, at our fall hearings on estimates the committee requested that your department provide a regional breakdown of DFO spending on aquaculture in past years, identifying how much was spent on promotion, research, development, protection of fish and habitat, and site licensing approval and processing. That was six months ago. When can we expect an answer from the department?

**Mr. Larry Murray:** I'll look into it, Mr. Chair. I apologize, and we'll get it to the committee as soon as we can. I don't know what the status of it is.

**The Chair:** All right.

Thank you.

On the report on sea lice, the British Columbia election is over, and I'm looking at an article from something called *Pacific Magazine*, May 2005. It's quoting Brian Riddell, chief scientist at the Department of Fisheries and Oceans sea lice program, and Michel Drouin, the reporter says:

Final results of sampling from 2004 won't be released until mid-April, but the agency reported an increased prevalence of one kind of sea lice, a salmon-specific species, on young native fish. Chum salmon appeared harder hit than pinks.

So the question I have is, was such a report released in mid-April, and is it different from the sea lice report that the department said would be released in mid-April?

● (1125)

**Mr. Larry Murray:** The report that was referred to by the assistant deputy minister of science during the minister's appearance is the one I'm aware of that is in play. As I understand it as recently as yesterday, speaking to Dr. Watson-Wright, it is still being reviewed by scientists but will be.... It hasn't come to me. It hasn't come to the minister. That is the report that I have referred to or that in my mind is the sea lice report. It could be the same report, I'm not sure. In other words, there are various processes including public involvement in the development of these various reports before they finally are peer reviewed and become the final report that gets sent to the minister or whatever. I don't know whether the report that's referred to in there as April is the sea lice report that we're all waiting for or whether it is a separate initiative. My sense is it could well be the same one.

David, I don't know whether you have any more insight.

**Mr. David Bevan:** I really don't. I think the scientists were talking about more analysis before being comfortable with coming to conclusions, and I think that's the delay, but there may be raw data that's being referred to in that report.

**Mr. Larry Murray:** I'd be quite happy to take that away and come back with a letter, Mr. Chairman.

**The Chair:** What I'll do is I'll make a copy of this and just let you dig into it to see if it's the same thing, and if it isn't, and if there is something you have that this is referring to that isn't what we've been talking about, we'd like a copy of it.

And my final question on that is this. DFO issued a news release on March 22, indicating that the results of the sea lice sampling would be released in mid-April. Why would you say it would be released in mid-April in a news release if it isn't even released now?

**Mr. Larry Murray:** That's a very good question, Mr. Chair. I would say we made a poor estimate of the time it would take to have the report wend its way through the various scientific processes to make sure it was peer reviewed and so on. I presume that is the report we're talking about, and I would say that our estimate was unfortunately off in terms of the release.

**The Chair:** B.C. has fixed elections, so it certainly would have been in everybody's contemplation when the B.C. election was going to take place, and I know there have been allegations that this has been withheld because of the B.C. election.

**Mr. Larry Murray:** Let me be clear. From my perspective, and certainly from the minister's perspective, there is no connection whatsoever in reality between the timing of the release of that report and the B.C. election—zero. We may be inept in our estimates, we may not be as efficient as we should be in producing reports, but certainly there is absolutely zero relationship between the timing of that report being produced and the B.C. election.

**The Chair:** Thank you.

There's time for one more question, if anybody wants to raise their hand. If not, we'll adjourn.

Gentlemen, thank you very much for your time and for your answers. We will look forward to receiving those things that you undertook to get to us.

Thank you very much, everyone.

The meeting is adjourned.

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