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## Standing Committee on Fisheries and Oceans

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**Tuesday, October 17, 2006**

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**Chair**

Mr. Gerald Keddy

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• (1105)

[English]

**The Chair (Mr. Gerald Keddy (South Shore—St. Margaret's, CPC)):** I call our meeting to order, pursuant to Standing Order 108 (2), to study the minister's priorities.

I'd like to welcome Minister Hearn to committee. It's nice to have you back, Mr. Hearn.

I'd also like to welcome Larry Murray, Deputy Minister; Lucie McClung, Senior Associate Deputy Minister; George Da Pont, Commissioner of the Canadian Coast Guard; and David Bevan, Assistant Deputy Minister in fisheries and aquaculture management.

I know that our committee is anxious to have a chance to ask questions, so I'd ask our witnesses to go ahead. I don't know if the minister has a prepared statement.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** I have a point of order, Mr. Chair.

**The Chair:** I recognize, Mr. Stoffer, that you gave a notice of motion at the last meeting, and we said we would deal with it at this meeting.

We have agreed to put it off—Mr. Stoffer has agreed to put it off—until Thursday, or perhaps we could deal with it at the end of this session. I would ask members to stay just briefly, because we need to discuss travel during the week prior to break week.

Minister.

**Hon. Loyola Hearn (Minister of Fisheries and Oceans):** Thank you very much, Mr. Chair. It's certainly a pleasure to be back.

I came in and almost automatically headed for the chair up where Roger is. I spent about five years sitting in that area, and I have to say they were five very enjoyable years, with a lot of the people who are at the table.

One of the things I think we all could pride ourselves in as a committee generally is that for five years we delved into some pretty heavy issues in fisheries; we had major successes, with just about all of our reports being unanimous—maybe a couple of times there were added opinions, but they were generally unanimous; and we had great camaraderie around the table. Many of the things that have been done and many of the things we're doing are the result of what happened around this very table.

So again, it's great to be back, and it's great to see that a lot of the people who contributed so much are still at the table.

Mr. Chair, I have a couple of things. I will read an opening statement for the record, but I apologize for my voice. Like many, I'm getting over a weekend flu. It's funny how we always get our flus on the weekend.

Mr. Chair, members of the committee, thank you and good morning. It's a pleasure to be here.

As the chair said, I'm accompanied by Deputy Minister Larry Murray; the senior associate deputy minister, Lucie McClung; David Bevan, the assistant deputy minister of fisheries and aquaculture management; and George Da Pont, Commissioner of the Canadian Coast Guard.

For those of you who don't know, just recently Mr. Da Pont, who was acting commissioner, has been appointed the Commissioner of the Canadian Coast Guard. We're very pleased to have George there.

I'd like to start by thanking the committee for its continued dedication to the proper management of Canada's precious fisheries and oceans. I know first-hand the passion that members bring to their important work. I'm not going to take too much of your time away from questions and answers—I'm sure you have lots of them—but I will take a few minutes to briefly outline some of the things we've accomplished since February. I'd like you to note that when we talk about what we have done, what we are doing, and what we will do, it all had to be done and planned within a short period.

As I've said before, I believe my job is to sustainably manage our public fish and oceans resources on behalf of Canadians, for the maximum benefit to Canadians. I don't own the fish, nor does my department or the government as a whole. As Canadians, we all own this common property resource.

I am working closely with the provinces and territories to facilitate a collaborative approach to fisheries and oceans management. Last week, we had a series of productive intergovernmental meetings in Yellowknife to discuss, among other things, how to put the elements in place for coastal communities and all Canadians to enjoy the ultimate sustainable value from these publicly owned resources.

When I arrived at DFO, the department was facing significant funding pressures that, if allowed to persist, would affect delivery of our programs and services to Canadians. Working with Treasury Board and my departmental officials, we secured a permanent budget increase of \$99 million to help address a chronic financial shortfall.

This budget increase allowed Canada's new government to invest \$45 million more this year to help keep the coast guard operational and ready to serve. We are moving forward with modernization of the coast guard's aging fleet through a multi-year renewal plan. That plan will see ten new vessels added to our fleet over the next five years.

We hiked the science budget by \$13.5 million this year, as part of our commitment to increase spending in this area. This does not include capital expenditures. For example, in May I was pleased to announce our investment of just under \$9 million to upgrade primary research facilities at the Northwest Atlantic Fisheries Centre in St. John's. We put an additional \$11 million from this year's budget increase into maintaining and improving harbour facilities through our small craft harbours program. This money is crucial for many coastal communities and their economies.

Earlier this year we also improved our habitat protection and enforcement capacity on the west coast. We devoted \$2.4 million to increasing the number of fisheries officers in the Pacific region, from 162 to 176, and added 12 new habitat monitor positions.

Having these habitat monitor positions has enabled more of our enforcement people to do the work for which they were sent there in the beginning. This will assist our conservation and protection officers on the Fraser and in Pacific coastal areas. It will also help us monitor development projects occurring in and around our waters to ensure compliance with habitat protection provisions of the Fisheries Act.

Of course, challenges remain, but these additional funds are helping us to shore up operations across key areas of the department to better meet the needs of Canadians.

We were also pleased to work with our colleagues in the finance and revenue departments on a long-awaited capital gains tax exemption of up to \$500,000 on the sale of fishing enterprises. We went even further than our previously stated commitment and granted a complete exemption from paying capital gains tax, no matter what the amount, when the sale took place between family members.

We've made substantial progress in our fight against overfishing. In late September, the Northwest Atlantic Fisheries Organization agreed to major changes in how it deals with illegal fishing, at its annual general meeting. Thanks to Canada's hard work and leadership, along with the collaborative efforts of NAFO members, the organization made significant reform to its monitoring, control, and surveillance measures. These included immediate port inspections for misrepresented catches, tougher sanctions for rule breakers, and real-time reporting of catches from vessels without 100% on-board observer coverage.

We also made major progress on limiting the objection procedure, so that nations must enter a dispute resolution process rather than fishing a unilateral quota.

NAFO is now closer than ever to following Canada's sustainable management practices. The organization agreed to a more precautionary, ecosystem-based approach to fisheries management, an approach based on science, but taking into account fish habitat and marine sensitive areas.

I'm proud of these achievements and will continue to work with NAFO and the international community as long as cooperation brings results, towards our goal to end overfishing.

I'd like to turn for a moment to an issue that's getting much attention and concern right now; that's bottom trawling. Canada, like many other responsible fishing nations, does not see a blanket moratorium as the way forward. What we do stand for is ensuring there is responsible fishing taking place on the high seas and in our own waters.

Canada has carefully considered the issues surrounding the impact of fishing on vulnerable marine ecosystems. I have come to the conclusion that real solutions must be practical, enforceable, and fair. A blanket ban is none of these. I will be pleased to speak about the significant actions Canada has taken to protect our marine environment. These will include our current work to reduce the impact of fishing activity through increased research and development.

Where do I go from here in our Fisheries and Oceans agenda? For starters, I'm hoping to modernize the legislative framework for fisheries and move forward with Canada's ocean action plan. We'll continue to renew our science program. We'll streamline and improve the effectiveness of our habitat management program.

Realizing the full potential of Canada's aquaculture sector is also among our goals. I heard my provincial and territorial counterparts in Yellowknife saying how eager they are to move forward with an aquaculture framework agreement. I'll continue to work on this initiative with them.

Also, we'll work with our provinces, territories, first nations, industry, and other stakeholders to renew fisheries, with more emphasis on integration and better management from water to table. We're actively building with our counterparts on the success of the premiers' summit on fishing industry renewal in Newfoundland and Labrador this past May. Our shared goal is to create a sustainable industry that is economically viable and internationally competitive. That goal is shared by all my provincial and territorial counterparts and I suspect by everybody at this table as well.

By the way, I should add to this that besides the summit in Newfoundland, we had one in the Maritimes—in P.E.I., involving the maritime provinces—and now Quebec is setting one up for November.

● (1110)

A couple of items in particular will be among our upcoming priorities.

I recognize that changes to the Fisheries Act are needed. A renewed Fisheries Act could provide the legal basis for collaborative management of the fishery and greater stability and predictability in fishery access and allocation. It could also be a chance to usher in better accountability by enshrining principles of conservation and the science-based ecosystem approach to the fisheries management.

We'll also be turning more attention in the near term to the Fraser River salmon. Sockeye returns showed improvement this year, but the sharp declines of previous years are something that government has committed to look into. Our goal is to re-establish viable salmon stocks and prevent, to the best of our abilities, similar sudden downturns in the future. We'll have more to say about this soon.

I look forward to your input and suggestions as we continue to map our strategies for more viable fisheries and healthier oceans.

I would be pleased to take your questions.

**The Chair:** Thank you, Minister Hearn.

Once again, I appreciate your coming in today, and I appreciate your keeping your comments to the 10-minute mark, exactly.

We'll go to our first questioner. Mr. Matthews, you have 10 minutes.

• (1115)

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

I won't use up all 10 minutes. I want to share with some of my colleagues.

Minister, welcome to committee. It's good to have you back, and it's nice to see your officials with you. I'm sure there have been times in the last few months when you wished you were still on this side of the committee.

**Hon. Loyola Hearn:** It was a lot more fun.

**Mr. Bill Matthews:** I realize that.

I have a couple of things. You referenced a number of items that the committee has spent significant time on—research in science, small craft harbours, coast guard, and so on. How do you respond to reports of the last week, where we saw numbers ranging from a \$97.5 million to a \$150 million reduction in your departmental estimates over the next two fiscal years, say, ending in 2009, and to speculation that there are going to be more than 200 positions lost, and so on? How do you respond to those statements?

If it's anywhere close to that, if there are any cuts at all, the committee will be very concerned. But if it's that drastic, I think it would be disastrous for fisheries management and the resource throughout the country.

**Hon. Loyola Hearn:** Thank you very much, Mr. Matthews.

I think if everything was that drastic, I wouldn't be here. Certainly there is no basis at all for these allegations.

What we're talking about is an amount in the September 2006 report on plans and priorities, which is a forecast based on the information available at that time. As you go through your budget, you're looking ahead to the following year. You have certain

amounts of moneys for the key programs, etc. What is not factored in are programs that will sunset, deductions that are made, or programs that are changed to new programs. You heard me mention earlier that because of a change in priorities, and to enhance some of the areas such as science and protection, we added significant money—in fact, \$99 million, which is greater than the amount for this coming year and the years ahead. That's permanent funding.

When the estimates come down, you will find that our budget will not be cut at all. The true figures will be on the table at that time.

**Mr. Bill Matthews:** Thank you very much.

I have a couple of other things, Mr. Chairman.

With respect to fish allocations and quotas to companies and so on, you're very familiar with the situation in Newfoundland and Labrador with Fishery Products International shutting down two of its groundfish operations. Contract negotiations are ongoing between the company and a number of employees. Some 35 million to 40 million pounds of groundfish have not been harvested for roughly 18 months. What's your take on that?

You referenced in your opening remarks that it's not your department's fish, but that it's a common property resource, and it belongs to the people. Do you have any timeframe in mind for when you will deal with this issue for the benefit of the people in those coastal communities who have traditionally relied upon harvesting and processing of that resource?

**Hon. Loyola Hearn:** That certainly is a pretty good question and a pretty important issue to the south coast of Newfoundland in particular.

You and I and everybody else know what has happened there, what the people have gone through with the closing of Harbour Breton. With the effect, you can come right down the coast. You have Gaultois, Ramea, Burgeo, the whole works, but just in recent years or months Harbour Breton, Fortune, and Marystown. What has complicated the decision-making on that is the fact that the company, the province, and the union have been involved in a three-way discussion or power play to try to find solutions for the future of that area.

Fishery Products, who held the quotas that you're talking about, closed Harbour Breton. It is now being taken over by Bill Barry with the approval of the community. Fortune is perhaps closed; that is a question that is still up in the air. Marystown was the plant that was supposed to provide a lot of employment, use a lot of that resource, and for whatever reason—certainly for reasons that are to be settled among the three parties—we are not party to that at all. I have stayed away from it up to now simply because negotiations were going ahead between the union and the company in particular, and we can't forget the complication of the Fishery Products International Limited Act, which throws another little complication into the whole mix. You're well aware of that.

There are a couple of chunks of that fish now being talked about. One chunk is to go to Gaultois, an issue you've raised yourself and have been involved in, and I'll talk about some of it going to Harbour Breton. It's something that has been negotiated, with the union being involved. It is not a deliberate interference with negotiations. That's what makes it touchy.

However, you're so right when you say there is still a fair amount of product in the water and there are people looking for work. That is not as clear-cut as it seems, if you're going to keep it in the area, because Harbour Breton is not yet up and running. Fortune is in limbo and Marystown is shut because of a dispute. So there are concerns from the people in the area. They don't want to see the fish going out of that area. They want it to provide work somewhere in the general vicinity, and the situation with the actual plants onshore complicates it.

Is it time to start having a hard look at that? Yes, it is, and I think we're getting to the point where changes are going to have to be made, one way or another. I've said it before and I'll say it again. We have to be reasonable. We have to give people every right to negotiate without pressures or interference. However, there comes a time when the greater good has to be looked at, and if something practical can be done to help a greater number of people, then we have a responsibility there also, and we don't mind fulfilling our role when it comes to being able to do it without, as I say, interference in legal processes.

• (1120)

**The Chair:** Thank you, Minister.

There are about eight minutes left.

Mr. Byrne.

**Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.):** Minister, welcome, and distinguished executives. Welcome back to the table, Loyola.

I want to follow up on the plans and priorities, the estimates for DFO. You had mentioned that most of this is actually sunset funding. It's fixed-duration programming that is scheduled to come to an end.

Would you be able to provide the committee either today or perhaps as a follow-up from officials in writing exactly what those sunset programs are, what the impact will be in terms of positions and activities within the Department of Fisheries and Oceans?

I think we can agree that it's roughly \$100 million to \$150 million in sunset programming. Could you verify that this is actually a correct statement, and if so, what is the intention of the department in terms of replacing it or whether that is going to be the case?

If it is going to lapse within this fiscal year and the intent is to replace it with a successor program, the obvious assumption that the department is making is that they'll apply to supplementary estimates for the funding, which of course is a bit of a contradiction in that if you're intending to proceed with a follow-up program, a successor program, and you haven't built it into the fiscal framework for this particular year, if you're intending to use the supplementary estimates to do it, then you should be able to spell out to this committee at this point in time exactly what it is you're intending, if that is the stated intention of the department.

**Hon. Loyola Hearn:** There are a couple of things, and I'll have the deputy provide some clear facts for you on it. But as I said before, the amount you're talking about is a general estimate, without the plans and procedures in the new program that's been put in place.

On the specific figures themselves, deputy, you might want to clarify them. If we don't have all the figures here, we could certainly

provide them to the department, with the assurance that our budget will not be cut. Our budget will be as great next year as it is this year—more so if within the overall framework we can achieve some extra money. We did pick up an extra \$99 million that will be factored in here.

In relation to jobs, we also have challenges in science, protection, etc. We won't be looking for cuts in jobs. If we can do it, we'll be looking for more positions to do some of the work that has to be done.

Larry.

• (1125)

**Mr. Larry Murray (Deputy Minister, Department of Fisheries and Oceans):** Certainly we can provide the information in writing. We're assuming that the \$97.5 million comes out of the RPP. I don't know where the \$100 million to \$150 million comes from. We've done that on the basis that the numbers in the RPP add up to \$99.1 million, with the \$20 million reduction—

**Hon. Gerry Byrne:** I'm sorry, what is the RPP?

**Mr. Larry Murray:** It's the report on plans and priorities.

It would be useful to the department if we knew the basis of the \$97 million, or the \$100 million to \$150 million. We're just speculating, based on doing a comparison, that the numbers that are talked about were in the report on plans and priorities that was released in September, as the minister said. We did get a solid \$99 million increase in our A-base. We can provide information about the sunset programs, and there is work under way on some of those programs to continue them. But it would probably be better to provide that to the committee on paper.

**Hon. Gerry Byrne:** If I'm reading you correctly, you're saying there are sunset programs that will basically lapse within this fiscal year, prior to March 31, 2007, and there are not yet specific concrete plans or fiscal arrangements to have them replaced.

**Mr. Larry Murray:** If I can use an example of Marshall plan funding, that is an example of the program, but there are indeed plans under way to continue that funding until the INAC treaty process cuts in. So there is work under way to address a number of these programs, including for example—if it is the RPP, which is close to the \$97 million number—the \$5 million expenditure reduction. There are other examples like that, but we could provide the committee with something on paper to address that.

**The Chair:** We'd appreciate it if you could get that information back to the committee.

Mr. Blais.

[Translation]

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

Good day, Minister, ladies and gentlemen.

I'm sure you can easily guess what I would first like to discuss with you. The Small Craft Harbours Program is coming to an end in 2006-2007. A total of \$20 million in additional funding was allocated to this program over the last five years. That's the first thing I want to discuss with you. We already talked about this program, but that was a world ago, at another time.

I'm curious as to your take on the situation. Financially speaking, what are your plans for small craft harbours?

[English]

**Hon. Loyola Hearn:** *Merci*, Mr. Blais. Thank you very much for that question. I'm not surprised that it was your first question, having sat with you on the committee. It certainly is near and dear to your heart, and representing an area like you represent, again I'm not surprised.

In my first term here, when I had a large rural area, which was taken away with the boundary change, I had the same problem. In fact, if you want to dig back to where the \$20 million came from, it came as a result of a report from this committee that enunciated clearly to the government at the time the dire straits in relation to small crafts harbours. If you want to know who introduced that topic to the committee, I did, so I'm well aware of the issue. I'm well aware of its importance.

When the committee did that report—it was the first day, actually, that I was on the committee, in September 2001, and shortly after that we had our hearings, and the report was tabled a year or so after that—the evidence that was presented to the committee spelled out clearly that to bring the wharves that are solely owned by the fisheries up to par would take \$400 million. At the same time, we were told that 21% or 23%—I'm not sure which—of the wharves were actually unsafe to use. That hasn't changed a tremendous amount. When I say solely owned, these are wharves that were built and are owned by small crafts harbours situated in what we call core harbours. They are now maintained, or run, in most cases by harbour authorities.

To add to that, we have around the country a number of other wharves that are used and have been used by fishermen, built maybe with some help from small crafts harbours—usually they provide the materials. Transport might have been involved in some. A lot of them were built with funding through programs like the Canada works program, in many areas. It was all government money—and we've said that before publicly—regardless of who owned them. Some of them were well constructed; some of them were sort of put together, for whatever reason. Many of these are also in pretty hard shape now, and in some areas these are the only wharves people have and they depend on them, so that complicates the issue even further.

Recognizing the fact that we are in trouble trying to maintain what we have and upgrade where we can, there are a number of initiatives under way. Number one, we added again this year an extra \$11 million from the permanent funding we got. So we have added \$11 million that will be there into the future each year. Is that going to fill the gap? No, it's not. So it's our intention again, as we go through the budgetary process, to put wharves, hopefully, in a different light to show the importance of them and to try to get to where we were and even increase that.

On top of that, we have a change in the fishery out there. We're seeing people go from small boats to big boats in many areas. I myself know a couple of harbours that were very active small boat operations. Now the few people who are left have gone to bigger boats, and because they have bigger boats, they can no longer use the harbour. They've had to move to a harbour a little bit farther away. We're seeing—and hopefully we'll talk a little more about this before the morning is over—a major coming together of everybody involved in industry, and I'm talking about the so-called summit meetings in Prince Edward Island and Newfoundland and now, next month actually, in Quebec. We're looking, in the industry generally, at how we can move forward and how we can consolidate.

• (1130)

Part of that will be on land as well as on the sea. We're talking about people wanting to get out of the fishery, about making it easier for people to come together in a buddy-up system, or for industry buy-outs, whatever the case might be. The same thing has to happen on land, as has been admitted by the ministers and, in some cases, the premiers.

That is going to put a somewhat different face on the area. You're probably going to see areas of interest—communities of interest, as somebody termed them—where, to make sure the area is alive, we can concentrate our resources and make sure we can keep some plants going and going for a longer period of time, that we catch our resource at the right time, that we catch it properly, and we have to have the proper landing and handling facilities.

All of this will mean a refocusing. Will it mean less money? Probably not. Will it mean better service? Probably so. It might mean fewer wharves will be needed, but you can't tell that to somebody who's 20 miles and over and has a small boat.

So basically, to answer the question, yes, we're aware of the funding. We've already added some, and we'll be going after as much as we can, to try to do as much as we can where it makes sense to spend our money.

• (1135)

[Translation]

**Mr. Raynald Blais:** I tried to find some positive points in your answer, in so far as funding is concerned, but I was unsuccessful. Perhaps you can help me. I know that this is a concern of yours, and of industry officials as well.

To begin with, we already know that \$20 million isn't enough. Financial requirements, pegged at \$400 million in 2005, now top \$470 million. The situation has worsened, despite the additional funds allocated for small craft harbour repairs and maintenance. It's clear that the initial request for \$400 million wasn't so far-fetched after all.

Can you tell me if one of your department's priorities is to allocate additional funding for small craft harbours as of next year?

[English]

**Hon. Loyola Hearn:** Well, there are so many priorities—and I'm certainly not trying to duck the question in any way, shape, or form, because I, like you, am well aware of the situation and well aware of those affected by it.

We talked about fish plants and investment, and coming together and building the industry. Well, in order for a fisherman to fish he has to have a wharf. You can't fish if you don't have a wharf to fish from, and we have to make sure that's factored in.

We also have to be well aware, as others are, of the changing dynamics in the fishery, and everything is a challenge. There are a lot of priorities in the fishery. What we can say is, yes, we've already recognized the need to put more money in. We already have all the new money that we got, the \$11 million, as I mentioned—which, by the way, was on top of the \$20 million this past year. When the \$20 million leaves, there is a gap to fill. Will we be trying to make sure we don't fall behind? Yes, we will.

Can we use help? The \$20 million, the \$100 million, would not have been there except for the work of the committee and those interested in the fishery. You have a number of other departments looking for dollars, as are the different sectors of my own department, all looking for a share of the pie. So the more help we get in making our argument...

If I'm the only one saying there's a problem with wharves across the country, well, it's pretty easy to dismiss. If people are showing that the fishery needs an investment—this is the lifeblood of many communities in our country—then that makes the job a lot easier. It doesn't matter what political stripe you are. All of us can do that.

I don't mind the pressure on me. What we always need is help when we have to put pressure for the final dollars.

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

[Translation]

**Mr. Raynald Blais:** I agree with you that a concerted effort is needed.

[English]

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

Mr. Stoffer.

**Mr. Peter Stoffer:** Thank you, Minister Hearn, and your staff, for coming today.

This is regarding the international call by some countries for more time on the high seas for dragging. Your presentation says: "Canada, like many other responsible nations..."

Now, sir, you indicated when you were in opposition.... I remember your vicious attack on the government and your concerns over the countries of Spain, Portugal, and Russia in their fishing habits when it came to the nose and tail and the Flemish Cap and other areas. You were quite vicious in that regard.

Now we have Australia, New Zealand, the United Kingdom, Norway, and the United States calling for the supporting of the UN moratorium on high seas dragging. Are you saying those countries are not responsible? And yet Spain, Portugal and Russia, countries....

I remind you, sir, of the *Olga* incident, which happened in your home province. You were quite—and rightfully so—concerned about the *Olga* and everything else. I'm wondering, sir, how you can justify Canada's position in not supporting a UN moratorium call on high seas dragging.

• (1140)

**Hon. Loyola Hearn:** I'm glad the honourable member raised this question. As I said, we are among many fishing countries in the world—besides Spain and Portugal, there are many others, in fact the majority of the fishing countries in the world—who will not support a ban on ocean dragging. When we finally reach the stage where a resolution is brought to the General Assembly, I think what you will find is that the resolution that is put forward will have consensus from most of the countries, and it will be along the lines of our resolution and certainly not others'.

You also mentioned that the United States is calling for a ban. That was certainly not the case. George Bush called for a ban, and that is not exactly what his people are saying around the table, or what they have come across with in the beginning.

Here are just a few notes. The United States position is misrepresented in the press—just for the record. We have been repeatedly assured by the U.S. that it is not supportive of a moratorium on bottom trawling. Their position is clearly stated in the memorandum to the Secretary of Commerce, released publicly. The U.S. is aiming to eliminate destructive fishing practices on vulnerable marine ecosystems, not bottom trawling altogether—that's exactly where we are—and they want to ensure that fishing is allowed to continue in the areas where it's not harmful.

We have said quite clearly that we're concerned about a technology that damages habitat, that damages ecosystems, that destroys coral. We abandoned, in fact, at NAFO this year, the dragging on seamounts under our control. There are also other areas—and I've heard some of the members around this table say this—where dragging does absolutely no damage.

Talk to Fishery Products International. They will tell you that they land more flatfish each year on the grounds that were dragged previously, because of the sandy, muddy bottoms. There are sandy, muddy bottoms everywhere in the ocean.

There are also areas that are sensitive, where we should not drag. The United States has used a phrase, "freeze the footprint". That means, let us not go anywhere else with what could be harmful technology until we have the scientific basis to make a decision whether it would be damaging or not.

I as minister, and other ministers who are in the same boat as I am—you will find the majority of them representing fishing nations who don't have vested interests, by the way, around the world.... They will be in the same boat as we will be ourselves. While we must protect habitat and protect stock, our first priority is to protect our people.



I'm looking at Mr. Matthews' riding, for instance. If a ban comes to dragging.... You can argue that it's only a moratorium on the high seas. We know how it operates. It's the thin edge of the wedge. If it's bad outside, it's bad inside. I'm not a hypocrite, and I won't be one. We said that at NAFO. If we haven't got the guts to do it ourselves, why are we trying to impose it on somebody else?

**Mr. Peter Stoffer:** Okay, thank you.

**Hon. Loyola Hearn:** And if you're going to say to your people in Nova Scotia, who depend on dragging, that seamounts and concerns in somebody else's backyard are more important than concerns in your own, then I'm not in that boat.

**Mr. Peter Stoffer:** Mr. Minister, I thank you for that, but I also recall, and I bring to your attention, what you said many times, and I agreed with you many times that we should be using the precautionary principle, and I don't think we're doing that in this regard.

I have another question for you. You've talked about the estimates, and the true numbers will be coming out, but you have to help me understand this. I've got your 2006-07 estimates and report on plans and priorities. On page 31 I'm looking at the science estimates for this year of \$152.9 million for 2006-07, and in 2008-09 it goes down to \$138.3 million. That shows to me a reduction.

Secondly, in terms of full-time equivalents—these are the people who do the science—this year it's estimated at 1,043 full-time equivalents and in 2008-09 it's down to 990. I switch over to page 28, financial resources for fisheries management. This is the estimates now, and this year it's slated at \$379.5 million, in 2008-09 \$282 million. There are full-time equivalents of 1,502 and, in 2008-09, 1,473.

Help me out, and correct me if I'm wrong, but this shows a reduction in budgets in the next couple of years. Are the estimates that we have for 2006-07 the correct figures or not?

• (1145)

**Hon. Loyola Hearn:** Thank you, Mr. Stoffer.

Mr. Chair, let me make a brief comment and then I'll have the officials go through the figures.

You mentioned the precautionary approach on harvesting. I totally agree with you. I've said it before and I still do. In fact, if you go to what happened at the NAFO meetings you will see that NAFO, with our pressure and some cooperation, brought in the UNFA. We've always said we should embody the UNFA principles and that would give us some clout. We must proceed using the precautionary approach, using science as a basis for decision-making. I totally agree with that and I just wanted to get that on the record. I'm sure Mr. Stoffer and I are singing from the same hymn book on that.

On the specific question on the figures, I'll ask one of the officials to go over that.

**Mr. Larry Murray:** I'd ask Mr. Chair to recognize Mr. Cal Hegge, who is the department's senior financial officer. I'd ask Cal to provide some detail.

**Mr. Cal Hegge (A/Assistant Deputy Minister, Human Resources and Corporate Services, Department of Fisheries and**

**Oceans):** Mr. Stoffer, I believe you were quoting from the report on plans and priorities part III.

**Mr. Peter Stoffer:** That is correct.

**Mr. Cal Hegge:** The information and the figures you quoted obviously are accurate, but they are based on information known at that time. The RPP was put together a number of months ago and it doesn't reflect reality in terms of what we will actually spend this year or even next year. It's based on what known information we had at the time. The adjustments, of course—and this was alluded to earlier—will come from additional MCs or Treasury Board submissions that are actually going to provide the funding to the department.

We took your figure of \$97.5 million, I believe it was, and I went to the table on page 42, which again shows reductions in the area of science and fisheries management. I think those were a couple of areas you had highlighted in your information with the media and you're quite right, but as has already been indicated by the minister and the deputy, some of these reductions were planned reductions in accordance with the original MCs that had provided the funding.

I'll give you one example, because it is a fairly large item with respect to fisheries management. Between this year and next year's planned spending there is a reduction of \$62 million with respect to Marshall. That's the biggest chunk within the fisheries management area. There are other reductions in here that are attributable to the ERC, the Expenditure Review Committee, initiatives, some of which we're not proceeding with, but based on the information at the time the money has already come out of reference level. So you'll see a figure in there that relates to the ERC implementation, and that included some FTE reductions, which, as the minister has indicated earlier, we're not going to proceed with in all cases.

To go back to Mr. Byrne's request, we will provide you the detailed information that will track the reductions. I just wanted to highlight a couple in the area of fish management and science, because that seemed to be one of your preoccupations.

**Mr. Peter Stoffer:** If I may ask what I think is a simple question—

**The Chair:** You're four minutes over time.

**Mr. Peter Stoffer:** I'm done, sir. Thank you.

**The Chair:** I've been very generous with all parties on time and I'm going to continue that with the Conservative member.

Mr. Lunney.

**Mr. James Lunney (Nanaimo—Alberni, CPC):** Thank you very much, Mr. Chair, we appreciate it. We try to be very collegial in this committee; the issues are important to our constituents, and certainly to the people on the coast, so we want to continue in that spirit of collegiality.

On that point, I have to take objection to my colleague's remarks about “vicious” comments by the minister in times past. I know that some of my colleagues opposite are finding that language probably misrepresents a little bit any presentation.... Aggressive perhaps, but vicious never.

That said, Minister, in reference to Mr. Stoffer's remarks about bottom trawling, I would just say that certainly in my part of the country as well, on the west coast, it's an issue that people are taking very seriously. We are concerned that it's a technology from another era, when we had less information about what goes on on the bottom. I know there are very serious concerns about this.

I like the phrase you referred to earlier, the language of "freeze the footprint". I think there are areas where we know that damage is minimal. We talk about establishing corridors, which would probably involve some discipline, some supervision. I think that's a direction we certainly would be well advised to go in, and I just leave that comment in support of the concerns raised by Mr. Stoffer.

I also want to say how much we appreciate the investment in the coast guard; certainly we do in our part of the country, and I'm sure our east coast colleagues do as well. We had the new commissioner here at committee just recently. We are all appreciative that there is an investment going into coast guard, with the modernization program and the ten new vessels.

On a personal note, I want to say that I had the pleasure of being out in Bamfield on the coast, less than a month ago, to commission one of our new lifeboats, the 47-foot boat *Cape MacKay*, with the assistant commissioner for the Pacific region, Terry Tebb. That's a big deal for our community there, for the coast guard stations, that they have the equipment to go out and effect a rescue in some of the very trying conditions we have on the west coast, as I know our colleagues have on the east coast as well. That investment in those new lifeboats is certainly appreciated.

I want to just pick up on a couple of issues raised at the Coastal Community Network, I guess about two weekends ago, where our coastal communities gathered from the west coast. Two items related to fisheries came on the agenda.

One issue—we discussed it quite a bit in your time here on committee, Mr. Minister—is the hake fishery. The mid-water fish going past our coast has become more important in recent years. There's the issue related to the factory ships. There are still concerns. Of course, coastal communities would prefer to see, as would our colleagues opposite, the fish processed onshore. We know that the fish have been a little bit.... Maybe they're smarter than some people think; they actually have been moving, and were caught way off the north end of the island. In that case, it sometimes is hard to get the factory ships, which our commercial fishermen regard as a safety valve, into the shore-based facilities. But it does raise concerns.

I know the new factor now is that we have some Canadian factory vessels participating as well, providing employment for Canadians. I think that's preferable to foreign nationals being there, but there are still concerns about science related to the biomass of this vulnerable species. When we look at the science, they say so much, but the Americans then decide they're going to take more than science allows, and we traditionally take 25% of what they take. This putting unnecessary pressure on the biomass is going to get us into trouble, as it has in other fisheries when we overtask the resource.

The other concern with that hake fishery—I'll ask you for a response later—is the volumetric measurement. When we process onshore, you can measure every fish, you can weigh every fish. But

with factory ships, whether they're Canadian or from some other nation, you're estimating what's in every haul that comes off a vessel. I'm hard pressed to imagine that the resource is not being exploited by volumetric measurement. That remains a concern for coastal communities.

Those would be my first remarks.

● (1150)

**Hon. Loyola Hearn:** Thank you very much, Mr. Lunney, Mr. Chair. I certainly want to thank my colleague for coming to my defence, first of all.

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

**Hon. Loyola Hearn:** In my response to Mr. Stoffer, where we couldn't get into all sides of the bottom trawling...I might have been a little more pointed than I would have liked to be or should be. Don't think for a minute that bottom trawling doesn't disturb us; it does, absolutely. However, if you look at—and again I can use any problem—Nova Scotia, the west coast, certainly Newfoundland and Labrador, many of our fishermen presently use some form of bottom trawling.

If today we banned bottom trawling, Mr. Byrne's riding would be practically wiped out because of the shrimp fishery, Mr. Matthews' because of the ground fishery, and parts of Mr. Stoffer's area on both, Even P.E.I., which has shrimp...I don't think they fish it themselves, but they would be affected, and certainly on the west coast...many of our methods of fishing.

Does that mean we shouldn't improve the technology? We should be. In fact, as we speak, there are companies in this country, companies in our own province, that have major advances in developing less harmful technology in the fishery. That's one way we have to go.

Are there areas where we are presently dragging, where we probably shouldn't? There probably are, and if there are, we should deal with that. But we just can't go out overnight and wipe out an industry, which means you wipe out communities. So somewhere in between, we move forward to doing what's right.

In relation to the coast guard, the extra money I mentioned, \$45 million in operations.... You're not hearing about coast guard boats being tied up this year because they don't have fuel: we put money where it's needed. We have extra surveillance in all our areas: the north, the west, and on the east coast. We've added tremendously to our fleet. You yourself talked about being at the christening of the *Cape MacKay*, and I want to make sure our members don't think we're naming our boats after our parliamentarians—we're not, we're naming them after geographic capes throughout the country, and the ones on the west coast are named after capes.

• (1155)

**Hon. Gerry Byrne:** The capes were named after politicians.

**Hon. Loyola Hearn:** Well, they might have been; you're probably right, Mr. Byrne.

I was there for the christening of the *Cape Kuper* this past Thursday, in fact, in the Victoria area. The interesting thing about that is that the woman who christened the boat is a first nations woman whose son is one of the crew members. We have two first nations people serving as the crew. It's a training project as they develop the crew for the new boat, and that's a major success.

One of our people on the west coast, Les Palmer, our coast guard member, was just awarded the Cross of Valour for saving a couple of lives by plowing through snow to reach two people who had been shipwrecked, by keeping them alive until help came. So there are so many good stories about the coast guard, but I don't have to tell you that, because during our trip, particularly on the west coast, it was you who garnered the information that gave us this incentive to move forward with the coast guard.

As for the results in relation to hake, maybe David would add on to that, but before we get into that, just let me say a couple of things in relation to the estimates of catch in the hake.

The hake, which was worth nothing a few years ago, is something like the Greenland halibut or turbot on the east coast, which nobody bothered with and now everybody wants to bother with it. Again, regarding getting value for that, Mr. Stoffer certainly has been very interested in what goes on in Nunavut in relation to that, and that is a major issue. We have to try to get maximum benefit from our resource, and we're not doing it.

I'll make sure there's some time left for Mr. Bevan.

**Mr. David Bevan (Assistant Deputy Minister, Fisheries and Aquaculture Management, Department of Fisheries and Oceans):** On hake, we have reached a tentative arrangement with the Americans and are living by that arrangement while they ratify the treaty, so the sharing is no longer an issue. We don't, therefore, have unilateral quotas set by Canada and the U.S. that add up to more than the scientific advice. So that's good news.

On the issue of factory ships versus onshore processing, we have a balance that we need to negotiate there with all the parties. The fishermen, as you may be aware, get paid more for taking their fish to factory ships, and of course the plants and the communities want more employment in the processing operations, but they can't always process all the fish. So there is a series of discussions that happen each year relevant to what the markets are looking like that year, what the price differences are, and what the right share should be to maximize the value of that fishery for Canadians.

Also, on the estimate of catch, that is always a challenge. We do have people on-board to verify the estimates, but I agree that it's not a precise science in that we can't measure it to the pound or to the kilo, but we do have reasonable confidence that we are, collectively with the Americans, living within the scientific advice.

**Mr. James Lunney:** Thank you very much. I appreciate those responses.

Another issue that came out of the Coastal Community Network, Minister, involves the West Coast Vancouver Island Aquatic Management Board—a very long name for this organization. This is a board that has involved local consultation—something we've talked about in this committee forever—and there's a pilot program that has been going on for a number of years. Again, they're concerned that there's no commitment—and maybe you can correct me on that, maybe there has been a commitment that I'm not aware of—to renew the funding for the West Coast Vancouver Island Aquatic Management Board.

Because this involves the regional governments, the first nations, and every sector of the fishery—sport, commercial, and so on—there's a lot of interest locally, and we feel that the information coming from this group could perhaps be better utilized by the department. The community would like to have some assurance that funding will continue for the program and perhaps the data coming in from that will go on.

Before I ask for a response to that, I'll also raise an issue that has caused some concern here—it's coming out of coast guards, so hold on to that one. When the commissioner was asked last time he was here about cutbacks to our stations, the only one that was mentioned by name was MCTS Tofino. Of course, this is a base in my riding that monitors all the vessel traffic coming into the strait. There has been pressure for years on least-cost analyses. Victoria picks them up after they come through the Juan de Fuca Strait, and they go down....

I simply want to inform the minister that I have a letter coming your way, which you won't have received yet. There is some action there regarding the base because of a land claims treaty that's moving ahead that involves the land that the base is on in a land swap with the province, which may be in a position of giving up land for a first nations settlement. They want to exchange land that the base actually sits on and some of the surrounding area that's under provincial control. The municipality, Minister, is committed to maintaining the base and would like to see that base expanded. From my perspective, the west coast of Vancouver Island is well served by MCTS Tofino, by the officers there.

I know there's a concern that the land values have gone up so much that it's hard for some of the officers to find housing in the area. If the land switches to the province, there may well be an opportunity to provide housing for our officers in land adjacent to the base. Even on the base, I understand there's a home not being used because of asbestos concerns.

In terms of monitoring our coast, we're hopeful the department will take the view that the base should be expanded and modernized. We know the radar is doing a great job—it has about a 60-mile reach—but a large part of our coast is not being monitored. Northern Vancouver Island and that base with modern equipment is particularly well positioned to do that monitoring.

We hope that will be taken into consideration. I know it's a big concern in our coastal community.

• (1200)

**Hon. Loyola Hearn:** Thank you, Mr. Lunney.

Let me assure you on that. I know there's an issue surrounding the base. Absolutely no decision has been taken on that. No decision will be taken on that until you're consulted. We look at all the factors involved, and the last thing we want to do is go moving bases, unless for some reason there's no other choice. But as I say, absolutely no decision has been taken on that and it certainly won't be done without your involvement.

In relation to the different groups and agencies, certainly we're assessing the applications for funding for a number of them that do a tremendous amount of work in helping us in the fishery.

One of the things, and it might be something to think about in your various regions, coming out of the summit... I hate using that word, but that's what it was called. And to an extent it was, because—for the first time ever, I would suggest, certainly in our province—it brought together all the players. I went to the meeting mainly—and I even said it publicly—figuring I was going into one big bitching session, where you get everybody at the one table. It didn't happen. People parked their agendas at the door, and when the going was tough and we needed to get people thinking about how to move forward, that's exactly what they did.

Sometimes we have so many involved at different levels. You get a lot of volunteer groups coming on the scene and they're looking for support. It sometimes can get to the point where it's a bit confusing. Every now and then you have to stop and coordinate efforts. That I think is what needs to be done, but it needs to be done at a local level. It's not a decision made by Ottawa to tell B.C. or to tell Nova Scotia or anybody else how they should run their affairs. But we are the ones quite often left with the responsibility of decision-making and funding, whatever. When we do it collectively and work together, it just makes so much more sense. When you do sit around the table, it's amazing what comes out of that.

We certainly will look forward to working with them, certainly in relation to B.C. more than anywhere else, on our oceans action plan, which involves so many of the groups and agencies out there and the volunteers who are working with us, to achieve the type of protection and advancement that we need in relation to habitat and the preservation of our stocks. There are a lot of good things happening. We usually hear the bad, but for every bad story we hear, there are several good ones. The good people are working on it, and they haven't time to complain.

• (1205)

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

I've been very generous with everyone's time in the first round. We are in the second round and they're five-minute rounds. I'm going to try to keep it exactly to the five minutes because we have a number of people who haven't asked questions yet. We'll ask the minister as well to keep his answers as succinct as he possibly can.

Go ahead, Mr. MacAulay.

**Hon. Lawrence MacAulay (Cardigan, Lib.):** Thank you very much, Mr. Chairman. Welcome, Mr. Minister, and your aides.

When you were responding to Mr. Blais' question on the small craft harbours program, you indicated clearly that there was close to \$500 million needed to put the wharves that are the responsibility of

the Government of Canada to where they need to be in small craft harbours. And you spoke about the \$11 million that was put in.

I would like to be assured that you're aware that there was a motion put through, supported by everybody in the House, including you and the Prime Minister, that \$20 million plus \$15 million, which is \$35 million extra, would go into small craft harbours. Can you assure us that is most likely to happen? Are we sure that it will happen, or is it in doubt?

**Hon. Loyola Hearn:** I'm not sure which motion the member is talking about, Mr. Chair.

**Hon. Lawrence MacAulay:** I can explain it to you, Mr. Minister.

**Hon. Loyola Hearn:** I'm just wondering if you're talking about the \$20 million we're talking about here this morning or another one.

**Hon. Lawrence MacAulay:** I'm talking about the motion that was put through the House of Commons that in fact \$35 million would be allocated to small craft harbours.

**Hon. Loyola Hearn:** When?

**Hon. Lawrence MacAulay:** It was tabled here and then presented on the floor of the House.

**Hon. Loyola Hearn:** In relation to our report? The \$15 million is certainly news to me in relation to activity.

**Hon. Lawrence MacAulay:** But, Mr. Minister, you voted for it yourself.

**Hon. Loyola Hearn:** That might have been, but again, I'd like to see what you're talking about. I quite clearly remember the \$20 million that the government brought forth as a result of the report tabled by this committee, I would say, back in 2002. We brought it up in 2001, but I would say the report was probably tabled in 2002 or maybe late in 2001.

Out of that came \$20 million from the then government of which you and the minister were actually a part. I presume the commitment was made by that government. They put in \$100 million. I'm not sure what we asked for at the time, but that's what they put in, and the last of it runs out this year.

We have to move forward from there. As I mentioned, we have already put in money and we need a lot more money put in. We have to spend more money on harbours, including a number in Prince Edward Island.

In fact, I visited a number of them this summer. I would say I visited half the facilities on the island. Even though some were fairly well looked after, I would say that a number of the facilities on the island, like facilities everywhere, need a fair amount of expenditure.

**Hon. Lawrence MacAulay:** In fact, what you're telling me is that there's no immediate plan to make sure the \$35 million, which was voted on in the House on a motion by the Prime Minister and you, goes there. We have no assurance, or I don't even know if it's in your plan to make sure the money goes there.

Looking at the situation, when we need close to \$500 million and we're talking about \$35 million, the fact of the matter is this. To deal with small craft harbours and the problems we have with wharf repair and dredging, if we don't have that little bit, then it's really a hopeless case. The money must stay there. The committee worked very hard on this and put forward a motion that I think was supported by everybody in the House. It wasn't long ago; it was only a few weeks ago in June that this happened

**Hon. Loyola Hearn:** Okay. It says here, "As the result of a SCOFI-backed initiative in late May, a motion to significantly increase the small craft harbours budget was presented, debated and voted on in the House of Commons. The vote on June the 6th was unanimously supported by all members."

I'm not sure of the date of the motion. Was it June 6 of this present year?

**Hon. Lawrence MacAulay:** It was June 6 of this year, yes.

**Hon. Loyola Hearn:** The motion proposed that the budget be increased by at least \$35 million.

Okay. I and I think some others thought you were talking about the original one. You're talking about a new motion that was brought forward this year.

• (1210)

**Hon. Lawrence MacAulay:** To extend the \$20 million.

**Hon. Loyola Hearn:** To extend the money.

**Hon. Lawrence MacAulay:** Plus the \$15 million that's desperately needed, and plus the \$11 million you're talking about that was put in.

**Hon. Loyola Hearn:** No, no, I fully understand that now, exactly as you said. Nobody would disagree with that, nor would they disagree with the other motions that were put forward and then passed, in some cases, to put all kinds of money into everybody's budget. You have to realize there's only so much money to go around. Once you get your budget, you have certain priorities within your own department.

I say to you, Mr. MacAulay, that one of the problems we have, if you want to talk about the pressures on the new government and my department to move forward, is that we're in the mess we're in because for years enough funding didn't go into that. It's not only the former government. It goes well beyond that. Wharves were let to deteriorate to the point where it'll take \$400 million to bring them up to par.

We have to deal with what we have and use every cent we can get our hands on to move forward. If we can get an extra \$15 million or if we can get an extra \$50 million, we can spend it overnight. You could spend that much in your own province and it wouldn't put a dent in what needs to be done, as you know.

**Hon. Lawrence MacAulay:** But what you're telling me is that we don't know that we're getting the \$35 million.

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

We're going to keep to five-minute rounds, if we can. This one was six.

Mr. Asselin, you've been waiting patiently.

[*Translation*]

**Mr. Gérard Asselin (Manicouagan, BQ):** Thank you, Mr. Chairman.

Minister, ladies and gentlemen, welcome to the committee.

To my mind, Fisheries and Oceans is a very important department that manages resources and equipment. However, people living in the regions often wonder if the Minister of Fisheries and Oceans is nothing more than an honorary appointee or whether in fact he has responsibilities and a duty to exercise authority and leadership to ensure sound management of the resource and of the fishery, in particular the regional fishery.

Earlier we were discussing problems with respect to small crafts. However, the regions also have to contend with different problems. In my view, the Minister needs to show leadership and exercise his authority over his officials. Often, we're left to wonder who's in charge of making decisions: the Minister or departmental officials.

Let me give you a very specific example. In my riding, there are 45 ground fish fishers between Sheldrake and Natashquan currently under a moratorium. Twenty-one of them have barely managed to hang on. The remaining fishers are on social assistance. They have lost their boats and have had their homes seized. Social assistance has become their last resort. When the previous government was in office, I wrote to the Minister on several occasions. The then minister's chief of staff met with 21 fishers working along the middle North Shore. She witnessed the situation first hand and observed the decline in the community's standard of living. The then Liberal minister issued a temporary crab fishing license to fishers who are currently affected by the ground fish moratorium.

It wasn't as if they had won the lottery. They were issued a license to catch 8,000 pounds of crab, which represents \$10,000 for these small fishers. However, it did help a few of them stay afloat. Diesel fuel and labour costs are increasing, like everything else. There is no shortage of a market or of resources.

However, elections were called and a new government took office. I contacted you several times and urged you to allow these 21 small fishers on the Middle North Shore to keep the licenses allowing them to take 8,000 pounds of snow crab and thus hang on for the duration of the moratorium. Unfortunately, officials decided otherwise. They probably advised you on the decision not to renew for this year the licenses to take 8,000 pounds of crab. These licenses had initially been issued as a temporary measure.

A permanent solution to the problem is being sought at both the Sept-Îles and Québec offices. Hopefully a permanent solution will be found but if all we manage to come up with is a temporary solution for the duration of the moratorium, what will happen if the moratorium lasts 20 years? Does the department want to force these small fishers out of business in order to recover their licenses and give them to large crabbers? In my riding, the traditional crabbers account for an annual industry of \$800 or \$900 million. And yet, this year, the department has awarded them a 25 per cent increase. Small fishers, on the other hand, have had their licenses taken away — licenses which allowed them to catch 8,000 pounds valued at \$10,000.

After much hard work, I had succeeded in wresting this concession from the then Liberal government. Unfortunately, after the election, although I contacted you on several occasions about this matter, as well as Fisheries and Oceans officials, the decision to take away these licenses from the fishers was not reversed.

This year, we expect to lose five or six fishers. When I talk about 21 fishers, I'm talking about 21 proud families with children who want to work and put food on the table. They are not looking for a handout. Unfortunately, these families have had to turn to social assistance. Often, the sole livelihood of small villages along the North Shore is the fishery, the only available resource.

Minister, all I'm asking is that you consider my request and the problems experienced by these families and speak to officials at the Sept-Îles office of Fisheries and Oceans. Martin St-Gelais is also hoping that a decision is made to resolve this situation once and for all. He too wants a permanent solution to this problem to be found.

Thank you, Mr. Chairman.

•(1215)

[English]

**The Chair:** Mr. Minister, that was a five-minute question, so if we could have a one-minute answer, it would be appreciated.

**Hon. Loyola Hearn:** Mr. Chair, I'll give you half a minute and ask Mr. Bevan to zero in on the specific case.

Let me say a couple of things. I think Mr. Asselin has expressed a frustration that many people in the fishery face, in light of what's going on. I also want to tell him I have met twice with the minister of fisheries in Quebec. We are having a major meeting in Quebec in November to try to deal with some of the frustrations.

As for seeing me, if you want to talk to me, it's not a problem, as for Mr. Matthews or Mr. MacAulay or Mr. Blais. You walk across the House any time at all, or see me out in the back. With all of these people we have worked out situations, and we have made us aware of other situations.

Everybody is looking for resources; that's the problem. When some people get hit, are you going to take it from others? Maybe you would in this specific case; there are hundreds of them.

Mr. Bevan, do you want to mention this one? It's something we'll be discussing, I'm sure, when we meet in Quebec.

[Translation]

**Mr. David Bevan:** Truly this is a formidable challenge. There aren't enough fish to issue licenses to all of the fishers. We need to come up with another way of meeting this challenge head on and of finding a permanent solution. I think the process outlined by the minister is a sound approach.

Agreements with the crabbers are in place and when we must decrease the quotas, there aren't enough resources to go around. This is currently a major problem, one that affects not only your region, but other Atlantic regions as well.

[English]

**The Chair:** Thank you very much.

Mr. Stoffer.

**Mr. Peter Stoffer:** Thanks, Mr. Chair. I notice the minister has just stepped out for a second, so I'll direct my first question to the....

I'm sorry, I didn't get your name, sir.

**Mr. Cal Hegge:** It's Cal Hegge.

**Mr. Peter Stoffer:** Sir, it's a very simple question. The estimates I have here show so much money now and so much money in two years—estimated. Correct me if I'm wrong, and I hope this is a simple enough question to answer yes or no. The budget right now for oceans management, science and fisheries management, shows quite a reduction in the next two years. Quite simply, in two years, will the budget for those departments be the same as it is now or less than it is now? According to the estimates, it shows less. Are the estimates correct, yes or no?

•(1220)

**Mr. Cal Hegge:** Mr. Stoffer, as I said earlier, the estimates are correct based on the information we had at that time. I cannot answer your question about what the actual situation will be over the next two years, because as you know, as government operates there are additional initiatives that come forward supported by memos to cabinet and Treasury Board submissions. We're hopeful that some of the additional money would come to Fisheries and Oceans, which would increase the budget, but—

**Mr. Peter Stoffer:** Very good. On that—

**Mr. Cal Hegge** —the answer is, based on the information we knew at the time, that these are accurate.

**Mr. Peter Stoffer:** Okay. I'm sorry to interrupt.

Then of course, there's the number of people. In science it shows equivalents of 1,043, equivalents down to 990. Will there be fewer people in the science department in two years' time? According to the estimates, the answer shows as yes, but I'd like to know from you whether that is correct or not.

**Mr. Cal Hegge:** I can't answer that definitively, but I can tell you that based on the ERC recommendations of the previous government there were FTE reductions that would be reflected in these figures. As I suggested earlier, we're not implementing all of those reductions, so there will be an adjustment already to these figures that are in the estimates.

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

Monsieur Da Pont, first of all I thank you very much for coming to the committee the last time. We talked about that consultation committee regarding marine service fees for the north, and I indicated to you at the time that nobody from north of 60 was on that representation board. Is there somebody on that board now?

**Mr. George Da Pont (Commissioner, Canadian Coast Guard, Department of Fisheries and Oceans):** Yes, Mr. Chairman. We met with the National Marine Advisory Council, and they have identified a seat for a northern representative. There was an unfilled seat, actually, from Mr. Stoffer's own province. They are working with the local industry to identify an individual.

**Mr. Peter Stoffer:** Thank you very much for that, sir.

Minister, I thank you very much for your attention regarding the north, especially when it came to concerns that this committee discussed with Baffin Fisheries Coalition.

I don't want an answer now, but maybe one when you make the decision. In 1997 DFO had a recommendation that the marine service fees be exempted for the Arctic, and I know that's being discussed at this time. I would highly recommend, if at all possible, to assist the north, that those marine service fees be eliminated or not applied at all. That's just a comment for you.

My last question is this. On June 4 you told the committee you would do everything possible to direct your ministry to enforce the owner-operator and fleet separation policies. I specifically refer to the trust agreements concerning lobster, especially in the chairman's riding and my own as well.

Since then, more trust agreements have been signed between fishermen and corporations, so that the licences are being consolidated more or less as we speak.

I'm wondering, sir, what you and your department have done to eliminate this practice of trust agreements in the lobster industry.

**Hon. Loyola Hearn:** I have two things, Mr. Chair.

For the record, let me come back to a comment that Mr. Asselin made. He asked who runs the department, the bureaucrats or the minister. I have some of the greatest people in the public service working in my department. They will tell you, and I will tell you, that it's my job to run the department. If there are problems, if there are weaknesses, forget about credit—none of us as politicians get credit—blame me, because the buck stops here. We're the ones who make the decisions, and we're the ones who give the direction.

In relation to Mr. Stoffer's question about the owner-operator, that was a contentious issue around the table, and we said we would deal with that. It's an issue that has to be cleaned up. It is a relatively complicated issue, and let me just run through it. In fact, there are people around this table, Mr. Stoffer, who were with me when we discussed this very issue. And I'm not talking about public servants alone.

I'll use some examples. One that really frustrates a lot of us is the plant owner who in hard times supplied fishermen with money for engines, repairs, whatever, in lieu of turning over their first born to

the company. Some of them control numerous licences. They don't hold them. A fishermen has to legally, on paper, hold the licence.

Then you have the guy next door with a buddy who is leaving, so he buys out his buddy. He leaves the licence in his buddy's name, which is the only way it can work, and he or she has one or two licences.

Then you have the businessman in the town, whether he is an undertaker or a grocery store owner or whatever, who owns five or six licences simply because, again, he had enough money to buy them out. The fellow operating the boat gets his meagre income, and the fellow who is not involved in the fishery rakes in the profits.

Then you have groups where fishermen themselves came together, and in some cases—you have some in your own province—because of the way they handled it, they turned out very successful operations that kept communities alive.

You're trying to deal with all of these, but the bottom line is that the licence is owned by a fisherman. The value we derive from the resource in the harvesting side, and whatever else follows, should be to those who are directly involved in the fishery. That's where we're headed. It is being worked on, and hopefully over the next months we'll be dealing with it publicly.

• (1225)

**The Chair:** Thank you, Minister Hearn.

Mr. Cummins.

**Mr. John Cummins (Delta—Richmond East, CPC):** Thank you, Mr. Chairman.

Minister, over your time on this committee you've always expressed a commitment to small-boat fishermen and you've taken that position with regard to the commercial groundfish integration program that your department put in place early this year. You've maintained that this program has not hurt the small-boat fleet and that it was broadly supported. The broadly supported aspect of it was more or less refuted by a survey last July. The respondents, the people who were surveyed, were sablefishermen and halibut licence holders in British Columbia, and over 70% of them were not supportive of the program.

With regard to the small-boat fleet, I have a stack of e-mail and letters from fishermen in British Columbia who've indicated that this program was very hurtful to them. I have a letter here from Don Ekroth, whose vessel is the *Lionheart 2*. He's a small-boat guy and he says there doesn't seem to be any place left for mom-and-pop operations anymore. He says that the costs of cameras or observers are so onerous and the technical requirements so cumbersome that he needs a lawyer for a deckhand, instead of his kids.

He talks about the impact on native communities. He says, "I served on the committee that bought back licenses for Natives for several years. Many of the halibut licenses went onto small boats in native communities. Talking to some of them this summer, none of these people can fish any more under the present regulations. Tremendous hardships have been created in the small boat fleet."

Minister, most of those letters were sent to you, and I got a carbon copy of them, but furthermore I'm in possession of a series of e-mails that were received under access to information. The original request went from a Scott Tessier, who I understand is in your employ; it went to Kevin Stringer, a bureaucrat here in Ottawa, I believe. They were asking about this program. They were trying to get a response to a letter to Mr. Eric Wickham, who many of us around this table know is involved with the Canadian Sablefish Association.

What they're responding to in the response of the department here is that there's no evidence to support Wickham's claim that, and I quote, "Excessive boat costs are putting the small boat fleet out of business."

Anyway, Tessier sends this letter to Stringer and wants his response. The letter goes back to the west coast, and by this time copies have been given to Lucie McClung, Paul Sprout, Kevin Stringer, and Diana Trager. The response that comes back from Heather James is that they are 100% sure that this program is not affecting small boats. She says, "I have reconfirmed this with the region. To date we have no evidence. Moreover, I would point out to you that while Mr. Wickham continues to allege large impacts on the small boat fleet, he does not represent these people and we have received letters from small boat operators, including"—it's blanked out—"that are supportive of integrated management."

Mr. Minister, the fact of the matter is that there is widespread opposition to the program. It has hurt small-boat folks. You have been sent letters to this effect. Whether you've received them or not I don't know, but it seems to me that you should have been given a briefing that summarized the content of those letters, and that doesn't seem to have taken place. Furthermore, it would appear that your department has misinformed you on this issue, as is evidenced by this e-mail.

You just said the buck stops here. I'd like to know why your department has not kept you fully informed on this, because in my view they've exposed you politically to serious implications, serious damage. Why has your department not kept you fully informed of the real impact of this program on the small-boat fleet in British Columbia?

• (1230)

**The Chair:** That's an excellent point, Mr. Cummins. I'll certainly allow the minister to answer. I just want to let the minister know that that's another five-minute question, and we do need an answer, so I'll give you time.

**Hon. Loyola Hearn:** Well, Mr. Chair, in order to answer that, it's certainly going to take more than the three seconds that are left.

Let me say one thing. By the way, I do sign every letter that goes out, and I make sure that I'm aware of the contents.

When I came into the department, one of the issues in front of us was the integration program on the west coast. Let me make sure the

committee is aware of where that came from. It wasn't made up by my department on the west coast or here; it was a program put together by representatives of industry. One of the people who sat on that group, which came in with the final report to the department, was a fellow by the name of Eric Wickham, with whom some of you are familiar. He's a part-time sablefish fisherman on the west coast.

Industry put together this suggested program because every year, because of bycatch, because of the number of species involved, they were ending up having their fisheries closed down, certainly in halibut and others, because they had reached bycatch levels. They devised a plan of moving or sharing resources—and I can get others to explain it a little more thoroughly, if you want—to try to offset the closure of fisheries. We agonized over the report, but it represented practically every group out there, as I say, including Mr. Wickham's.

When the report was tabled for us and discussed, Mr. Wickham didn't say a word against it. He came back afterwards objecting to it. I challenge you to go to the different sectors in British Columbia, or those who are involved in that fishery this year, and ask them what they thought of the plan. Is it perfect? Absolutely not.

We approved it. It was supposed to be a three-year pilot. We didn't agree with a three-year pilot; that's too long. We agreed to do it for one year, because the status quo just wasn't suitable, except for a few who really wanted the status quo. We went ahead with it for one year, to make sure—the very first thing said was that we didn't want to see the little guy.... In fact, the first question I asked was whether people would be hurt, and some said that maybe a few small vessels might be forced out. We said, no way, José. We said that rules had to be put in place, that the costs had to be spread to make sure that didn't happen.

Did it happen? Did somebody get hurt? Not that I'm aware of, specifically. People have complained about some adverse effects. We've done our best to correct them. Most people have said that yes, it's not perfect and that we need further modification, which we are ready and willing to do. But it is a hell of a lot better than what we had, and most of them caught all their fish this year.

Consequently, there are two sides to every story. We do have some people who are against a lot of what we're trying to do in British Columbia, and we have a lot of people who are for it. What we have to do is make the best decisions we can based on the facts we get, not from our officials but from the groups and agencies. I've met with more groups and more individuals in British Columbia and spent more time there than I've spent not only in any other province but in all other provinces put together.

So, Mr. Chair, we do know what we're doing. Is it perfect? It probably is not. Does it satisfy everybody? It probably does not. But I'll tell you one thing. If you talk to the majority of those affected, I am quite confident that they will tell you it's a lot better than it was.

**The Chair:** Thank you for that, Minister.

Mr. Cuzner, I think we have time enough for one last round, all the way around, gentlemen, if we stay to our five-minute limit.



**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Mr. Chairman, I want to first assure my colleague Mr. Stoffer that I'll be exercising the precautionary principle when I make my statements, because I think, as the minister is finding out today, sometimes statements that are made in this seat might come back to bite you when you sit in that seat.

Not that I would ever, Mr. Minister, want to sit in that seat. I've lived a clean life and a good life, and have done nothing to deserve that. Okay?

That said, I think what the minister is seeing, though, is it's waxing strange on members of this committee who have been here for a number of years, in some of the positions that were taken by the minister when he did sit in this seat. I look specifically at his position on the bottom dragging and the fact that his position on that may be not vicious but certainly aggressive.

I don't think the reality has changed much. You made reference to Mr. Byrne's riding and Mr. Matthews' riding. I think the situation was very similar when it was referred to that the bottom dragging was decimating the bottom floor.

Or even with NAFO and the new-found embrace with NAFO, or the enlightenment, whatever it might be, I know the previous minister embarked on a number of changes, a study and wanting to move forward with a number of changes, and this minister has embraced those changes, but I know the comment was that it was a toothless straw dog that Canada really should not be committed to.

I like the minister a great deal, and I still believe that some positions that were advanced while he was in this seat are still important to the minister, as they are to members around this committee. So I want to look specifically at one issue, and that issue is about fish plants and older fish plant workers.

When we're looking at some of the discrepancies that we've tried to identify, that have been identified around the table today, and new programs and new moneys, is there within these new programs or new moneys a strategy that is set? We understand fully the changes in the fish plant industry. Is there a strategy to deal with further impacts, perhaps closures? Specifically, is there something within that new strategy for older workers?

Is that five minutes? That's about three minutes.

• (1235)

**Hon. Loyola Hearn:** Thank you, Mr. Chair.

**The Chair:** Take your time.

**Hon. Loyola Hearn:** Let me again, for the record, clarify a couple of things. My position on bottom trawling is no different today from what it ever has been.

**Mr. Rodger Cuzner:** Mr. Chairman, if I might, the question—

**The Chair:** A quick rebuttal.

**Mr. Rodger Cuzner:** Okay, with two minutes, though.

**Hon. Loyola Hearn:** I will get right to your question and give you an answer.

If you look, last year there was quite a furor when we thought that the then minister had gone to the United Nations and supported a ban on bottom trawling, and I was the one who viciously—if you want to

use the word—raised it in the House that we cannot ban bottom trawling. We have never gone after control of the habitat on the nose and tail and Flemish Cap in the sense of our land, which we own, the seabed and the species attached to it. We could have gone to the World Court because people are tearing up our habitat, but we didn't, because if we did it outside, we'd have to do it inside. So my position on bottom trawling hasn't changed.

On NAFO, it was not a toothless straw dog. I think I called it a toothless tiger. It was. It isn't today. It might not have a full set of dentures, but we certainly gave him one set and a few may be underneath, and we're working on the rest. As you see what really happened at NAFO coming out, you'll agree with that.

On fish plants and plant workers, to a large degree I can get out of that pretty easily by saying that fish plants strictly come under the province, and any agreement on older workers or retirement programs, and so on will be their responsibility. But those things don't happen without federal involvement and contribution, as you know.

Our government committed to doing a full assessment of older workers and the impact on older workers, and in fact, plans have been put in place to deal with especially one-industry towns, where the industry has been shut down and the feds will have to come in and help the province. One of the problems, I'll say to you, about older workers in fish plants is that for many of the fish plant owners, the processors, if today you and I were in the position to go out and say, here is a retirement package for anybody over the generally accepted age of 55 in the industry—which, after spending 30 years in cold water every day, most would certainly accept—we would take away the workforce from many of the plants. So there is something there.

That is not an easy thing to work with. Are we working with the provinces on that? Absolutely, and one of the good things coming out of this coming together of provinces, feds, and industry is that all these factors are being looked at, and I think you're going to see in the recommendations that come out of these area reports a positive move towards trying to rationalize industry and help those who need help.

• (1240)

**The Chair:** Perfect. Only one minute over. You did very well, gentlemen.

We will give you a gold star, Mr. Cuzner.

Monsieur Blais.

[*Translation*]

**Mr. Raynald Blais:** Let's continue handing out gold stars.

I'd like to hear your views on the seal hunt. I know for a fact that you travelled to Europe recently and made some statements about the hunt. However, I'd like to focus on the present, and in particular on the future.

As you well know, a delegation from the European Union will be in Ottawa at the end of November to meet with this committee. However, I also believe the delegation plans to meet with you. There is cause for some concern about this new source of opposition to the seal hunt. The Council of Europe seems to have tempered its initial stand somewhat. The one main sticking point appears to be the use of the hakapik. The Council of Europe is no longer talking about a product boycott. However, it's quite another story over at the European Union.

I'd like to hear what kind of strategy you favour or what your plans are in terms of addressing this matter with the European Union.

[English]

**Hon. Loyola Hearn:** Thank you very much, Mr. Blais and Mr. Chair.

This certainly is an issue that is of concern to a lot of us. Every year, certainly when the spring arrives, the first thing you see before the robins are the protestors getting out there to make sure the money continues to roll in. And again, here is where political divisions... We might disagree on a lot of things, but when it comes to defending certain industries, all of us are in the one boat. Last year our country stood up against the Paul McCartneys of this world and the Pamela Andersons and the Brigitte Bardots. Some of us wouldn't even meet with them when requested—and boy, I tell you, that was tough.

Seriously, we have to make sure that our side of the story gets out. We have what has been recognized by world-renowned veterinarians as the most humane, best regulated hunt in the world. It is a sustainable hunt. That's the first thing we have to get out there: it is a sustainable hunt.

I use this example sometimes in talking to people. When we had the biggest wild fish stock in the world, the northern cod, we had two million seals. We now have 1% or 1 1/2% of that stock, and we have six million seals, and growing. We are now seeing seals in rivers—in fact, we're seeing them miles up rivers in some cases—and at the mouths of trout streams. Number one, from a sustainable point of view, if we don't control the seal herd, it'll control itself after a while, and we'll have all kinds of problems. So everything we're doing makes sense.

I was in Europe a while ago. I met with the minister in Belgium. He was introducing a resolution to ban seals or seal products. He asked to meet with me; I didn't ask to meet with him. I wasn't aware of it. He asked to meet with me because he was uneasy. He had inherited the resolution and he was uneasy because he was picking up little bits and pieces that there might be another side. This is the guy who said that the only grounds he had to base his resolution on, and the only grounds the people around him had were what they got from the protestors—those videos of guys clubbing little seals, the red blood on the white ice. That's when I came out with the statement that, well, you wouldn't have the freedom to do it if the ancestors of these sealers hadn't left their red blood in Flanders Fields to give you the freedom you have today. That sort of woke him up.

I said that I wasn't going to argue and that I would lay out a few things—sustainability, numbers, etc. But I told him to come to Canada, to come and visit the homes of the people going to the front, to go out with them, and to not look at videos taken around P.E.I.

Now that Lawrence is gone, I don't want to be picking on P.E.I. But every time they showed it, they showed them clubbing the whitecoat, which ended 21 years ago, or people out with hakapiks in the small herd where you congregate pretty closely in the gulf. Nobody shows the hunt on the front or off Quebec or certainly in the north.

We as politicians have to talk to their politicians. We have to invite them, as I did, as many as want to come. We'll make sure they see what has to be seen. Anything that any of you can do.... These are the people who vote. We have to deal with industry and whatever, and we need more people involved.

One thing that has happened for this coming year is that the Province of Newfoundland and Labrador has been meeting with our people already in putting together a unified front. Quebec wants to get involved and will be involved. Nunavut is involved. And certainly, I'm sure, the maritime provinces that are affected will be involved. With a united front, we can get push back—push back on truth and on the facts—and eventually we'll win that battle.

● (1245)

**The Chair:** Thank you, Minister.

Mr. Stoffer.

**Mr. Peter Stoffer:** Maybe I'm not asking the question in the right way. If so, I apologize.

I'm looking at page 31 of the estimates, planned spending and full-time equivalents, and I'm taking the science category, for brevity's sake. For 2006-07, science, \$152.9 million; next year, \$142.3 million. I have a simple question. Is that a correct estimate, yes or no?

**Mr. Cal Hegge:** Yes.

**Mr. Peter Stoffer:** So it is going down. Thank you.

I am looking at the human resources for science equivalents: 2006-07, 1,043; 2007-08, 997. Is that a correct estimate, yes or no?

**Mr. Cal Hegge:** Not necessarily.

**Mr. Peter Stoffer:** As members of Parliament, we get our information from the department. This is, I assume, a well-thought-out, planned document. It's given to members of Parliament, and we then pass it on to the public. People in your department, the scientists, call and tell us they're not supposed to be calling but they have something we ought to know.

So you're telling me that this isn't accurate?

**Mr. Cal Hegge:** Mr. Stoffer, what I've said, repeatedly, is that this is accurate based on the information we had at the time. With respect to the FTE reductions, there have been some recent developments that would cause me to say that the figure is not accurate as of today. That's all I'm saying.

**Mr. Peter Stoffer:** I'm going to ask Mr. Murray, the deputy minister. Do you concur with that statement, sir?

**Mr. Larry Murray:** Yes, I do. This information is accurate when it's tabled, but the government is a dynamic creature. It makes decisions and gives direction. This minister has given a number of bits of direction that impact on what will unfold. In that context, there will be changes in priorities—to science, the coast guard, the \$99 million increase we got.

We do the best we can when we prepare this, but the world does unfold. There could be a crisis that drives it in another direction. We're not trying to mislead Parliament. We do the best we can.

**Mr. Peter Stoffer:** So for science, the financial estimate is correct, but the FTE is variable. It could change. That's what he said.

**The Chair:** Does the minister want to comment on this?

**Hon. Loyola Hearn:** Mr. Stoffer, as the NDP, does very well. This will be the first time I've gotten political this morning. But this feeding out facts and figures is causing a lot of concern out there. These are certainly not factual, nor are they based on facts. They're based on a position in time that any of us can change.

Deputy Murray wanted to add something to make sure we clarify that there will not be any cuts in our budget and that we will not have wholesale layoffs, particularly in science. We've added to that part of the budget.

**Mr. Larry Murray:** The only rider I would put on it—and I'm not trying to be cute—is that the same rider for FTEs applies to the dollar number. In other words, it's a dynamic scenario. If the circumstances change and if different decisions are taken, then the results will be different from what we see in the report on plans and priorities.

So it was accurate at the time, based on the information—both FTEs and dollars. That has changed and will really be known only when the main estimates get tabled in the February-March timeframe.

• (1250)

**The Chair:** Mr. Cummins.

**Mr. John Cummins:** Minister, this program was developed by the department and big guys in the industry, by a select group of appointees from the previous government. The program itself is very complex. It was never explained to the fleet. It was never vetted by industry. It was never voted on by industry.

The fact of the matter is that it has hurt the small-boat fleet. I've got a list of boats that weren't even going to bother fishing this year because they couldn't afford it. Boats have been put up for sale because they can't afford to participate.

My question again, Minister, is simple. Have you not been given this information—the complaints, the e-mails, I've received? Why has the department not supplied you with these, and why are they not keeping you fully informed?

Finally, you said to me in a letter of May 19 that all aspects of the groundfish plan would be reviewed, and that you had asked staff to provide you with a monthly update on the initiative's progress. I wonder if you could provide those monthly updates to this committee.

Most important, why has your department not kept you informed?

**Hon. Loyola Hearn:** Mr. Chair, that's certainly a very unfair question, because Mr. Cummins has absolutely no idea what goes on in my department. My department not only keeps me informed, but I direct most of what goes on in my department, including several visits to the west coast dealing with this and other issues.

Let's lay the cards on the table, if that's what we want to do. We've had problems on the west coast this year, and a lot of them have been caused by a group of people, involving you, Mr. Cummins, because you didn't like what we were doing with the groundfish integration plan, or our plan to try to bring peace to the Fraser River. And there were a lot of others involved.

We have had contact with small fishermen. We have worked with them. We have had people dealing directly with them to make sure that costs were spread so they could survive in this. We have numerous people who've said that without the changes we made, they wouldn't have survived this year.

I am not going to change because one little sector of one group is upset. We will try to do what we can to help everybody, but we're not going to be blackmailed by a handful of people with vested interests.

Other than that, we will try to manage a very tough department with problems in every single part of the country. But we have used the field—including industry, which was heavily involved in this process. If you or some of the others were not involved, then I blame you rather than them, because certainly the people you talk about... Mr. Wickham was heavily involved. He came in and nodded his head when the report was presented, then afterwards changed his mind. And there were other people around the table when this happened.

Mr. Chair, I'm not sure where Mr. Cummins is coming from. I know he has concerns; I appreciate it. There are people in this industry who are being hurt every day, but we have done our best based upon what we have. I try to be as hands-on as anybody, on this issue in particular. There probably wasn't a day that went by, not to say a week or a month, when we weren't trying to figure out what was happening here, what changes we have to make. We talked with groups. We talked with individuals. We massaged. We changed. We had people working with industry to spread costs, to get more involved.

If you talk to the people who were affected, the majority of them will tell you it was the best year they've had in a long time. And we have had lists of requests to make sure we continue with this program.

Does it need to be massaged? Certainly. If there's somebody being hurt, will we do something about it? Absolutely. Is the small guy the one we want to push aside? I came from a small boat, and if there is one group we would try to look after, it would be the small-boat fishermen.

**The Chair:** Thank you, Mr. Minister, for your clarity on that issue.

Our last questioner is Mr. Manning.

**Mr. Fabian Manning (Avalon, CPC):** Thank you, Mr. Chair.

I thought we used to have trouble on the east coast.

I'm trying to work out the difference between answers and speeches here, but anyway, I have a couple of quick questions, Mr. Minister.

Is there any thought being given to an increase in the total allowable catch this year for the seal hunt off Newfoundland and Labrador? Is there any thought being given to not allowing protestors to be out interfering with sealers when they're trying to do their job in a safe manner? That's on the seal hunt.

My last question is on the fisheries summits that you talked about several times this morning in regard to Newfoundland, Labrador, and Prince Edward Island, and one that's planned for Quebec. I know full well that in order to solve a lot of the concerns in our fishery we're going to have to call on provincial and federal governments to come together and work on addressing some of those issues. Knowing our own problems in Newfoundland and Labrador—that was the purpose of the summit—could you maybe give us some enlightenment on exactly what you gained from the summits and where you see them being a possibility to address some of the concerns in the fishery?

•(1255)

**Hon. Loyola Hearn:** Thank you very much, Mr. Manning.

On the first two questions on the increase in numbers, what we'll be doing is a total assessment of what happened last year, a look at the seal herd in relation to its growth or lack thereof and environmental factors that might have had an effect on the growth of the seal herd.

Again, a number of you have used the term “precautionary approach” today. We have to make sure we do the same thing with the seal hunt. The last thing we want to do is to look irresponsible. The minute we do, then we really play into the hands of the protesters.

What are we doing to keep them from the ice? I've instructed our people and our people who talk to people, the legal people and everything else, that we will use every avenue we can within the law to keep people as far away from the hunt as we can. It is not our decision quite often, however, to allow them within the half-mile, or the 30 feet, or whatever the case may be. These come from Charter of Rights precedents and court cases. However, we will test everything we can test—and I'm sure we have your full support on that—to keep people away from interfering with our sealers.

In relation to the summit, I can truthfully say I have built up a very good relationship with every minister across this country. We've had a number of meetings. There might be one minister, maybe two, I haven't met, but certainly I've met most, if not all, of them, and where I haven't met ministers I've met people in their departments. So we have built up a good working relationship.

The coming together was really started when the Premier of Newfoundland asked if we would co-sponsor basically a major meeting called a fisheries summit to bring everybody, because of desperation.... It's the same desperation Mr. Asselin talked about this morning. I've talked to your own minister, Mr. Vallières, about the same thing, about the need to focus.

The problems are so extensive out there, and I apologize for my reaction to Mr. Cummins, but I appreciate his frustration. They're everywhere, and we're not going to solve them by looking at Ottawa or by sniping at each other. We solve these problems by coming together. The province has a role to play in relation to the processing

sector, in relation to everything that affects decisions on the land, the marketing in particular.

We have a role to play. We have to try to make sure that if we're looking at consolidation we give people a chance to get together, instead of having skippers out there looking under bushes to try to get a crew member when the fellow down the road is doing the same thing. Why can't they come together and cut expenses, share quotas? There are lots of things we can do and I assure you we will do. If it means varying boat lengths and stuff like that, we'll look at it. If it means cleaning up the industry, we'll look at it.

Collectively, with industry, with the unions, with the provincial governments, that's where we have to go. Who is responsible for what, and can we all do our part? It worked in Newfoundland. It certainly worked in P.E.I., even though when we met there with New Brunswick, and Nova Scotia, and P.E.I. we were more or less zeroing in on the Northumberland Strait issue, where there's been a complete collapse. Quebec has its own problems, and I'm sure coming out of the Quebec meeting we'll have better....

Can we solve all the problems? Of course we can't put fish in the ocean, but as long as there's a certain amount, it can grow if we properly look after it. But we also have to remember that we have people who depend on it. So somewhere in between, we have to try to walk that fine line, Mr. Chair.

**The Chair:** Thank you very much, Mr. Minister.

I much appreciate you and your staff coming in today. I think we had a good and open discussion on all sides, and that's extremely important.

There are a couple of issues here that I'm going to ask committee to stay for.

I have one final question. Actually one of our members, I believe Mr. Stoffer, had asked a question on marine service fees for north of 60, and that's also a motion we're going to deal with here. So I'm wondering if you could illuminate that issue. I think Mr. Stoffer's direct question was that he would ask the government not to apply marine service fees for north of 60. Do you have a position on that?

•(1300)

**Hon. Loyola Hearn:** I'm not sure if we've discussed with the north. We are about to make a decision on that. I'll pass it over to Mr. Da Pont. We have had major decisions, but until we talk to the people involved in the industry we work with, we don't like to go out in front and surprise them.

Go ahead, Mr. Da Pont.

**Mr. George Da Pont:** We have conducted a study of marine service fees in the north. We shared it with the Government of Nunavut and with industry representatives in early September. When I was here a couple of weeks ago, this committee asked for a copy of it, which we will be forwarding.

In conveying that package, the minister indicated he was prepared to discuss all of the issues related to marine service fees in the north as part of a broader process that has been started with industry across the country. We're in the middle of discussions with the industry on how to deal with marine service fees across Canada, including the northern ones.

**The Chair:** The only point I would make on that is that all resource sectors have had cost recovery in service fees. It's straight across the board, from agriculture to forestry to natural resources. I'm not trying to get into provincial jurisdiction here, gentlemen, but it's certainly in every area. If we were to exclude marine service fees for north of 60, I suspect that would be a precedent that other jurisdictions in Canada would want to follow. I'm not certain that it's possible to do. That's a personal comment, and not a comment of the committee.

Thank you very much for coming today and spending the full two hours of our time.

I'll ask committee members to stay for a bit, if they can.

Before we deal with the motion, I have a question. Is it the intention of all of the committee to fly to St. John's, Newfoundland, and meet there on Sunday evening?

We'll get information out to all the committee members, but I just want to be very clear on the connections, particularly for our B.C. members, who will be getting into St. John's late Sunday evening. Instead of leaving Sunday evening from St. John's, we'd leave Monday morning. Is that okay with everyone?

We're going to leave St. John's Monday morning. Everyone will get an updated agenda, but I just want to make sure it's clear for everyone. This will give our west coast members time to get in, because their flight is quite late on Sunday evening.

• (1305)

**Mr. Bill Matthews:** For clarification, Mr. Chairman, if you don't mind, we're overnighing in St. Anthony, are we?

**The Chair:** Yes, we are, on the night of November 6.

**Mr. Bill Matthews:** And the other thing is, we're finishing up in Shelburne, are we? Then people can leave from Halifax to go back home. We're responsible to get home from Shelburne. Is that your point?

**The Chair:** Yes.

**Mr. Bill Matthews:** We have Remembrance Day after that, so we'll want to be home. Do you see what I'm saying? If we're in Shelburne, we need to go home afterward.

**The Chair:** I think we're in Shelburne on Friday, or Thursday.

**Mr. Bill Matthews:** So we're responsible for getting home from there. That's the point I wanted clarified.

**The Chair:** Richard, go ahead.

**The Clerk of the Committee:** I'm just going to explain.

We are going to go from Shelburne to Yarmouth. The plane will take everybody, and we are going to stop in Halifax.

**Hon. Gerry Byrne:** Perfect.

**Mr. Bill Matthews:** After we finish the meeting.

**The Chair:** Shelburne to Yarmouth is 40 minutes, and it's an hour's flight from Yarmouth to Halifax. That will be Thursday evening. Everybody can plan their connections from there. We'll get an updated agenda to everyone ASAP.

The only other slight change is that we had put in for a budget of \$109,000, and we're going to need an additional \$26,000. I'll go to committee on Thursday and ask for that. I'm assuming we'll get it.

**Hon. Gerry Byrne:** Or we will revolt.

**The Chair:** Again, it's important to lobby all of our members on our committee.

**Hon. Gerry Byrne:** Mr. Chair, on that point, apparently in domestic travel by committees there have been frequent occasions when members have actually not gone. I think on this committee everyone is participating, so in terms of your lobbying efforts, that's a key point.

I spoke to our House leader about it, and they actually asked the question of whether or not there would be full attendance, because it has been a problem in certain other committees. So that could be a point of assistance in increasing...because I do understand we're having full attendance on this thing.

**The Chair:** Actually, that is a very good intervention, Mr. Byrne. I will take that advice and make that point at committee.

**Mr. Bill Matthews:** There's just one other thing, Mr. Chairman.

Mr. Simms is not a member of the committee, and Gander is in his riding. Since we're going to Gander, I think he would be interested in being there and being somehow accommodated with the committee.

**The Chair:** It's been, I think, the tradition of the committee that when any members show up at committee when we're in their riding, the chair will recognize them and ask them to sit at the table if they care to. We'll continue that tradition.

Do you have a question? Go ahead.

**Mr. Fabian Manning:** In regard to witnesses in Gander and St. Anthony, I know the clerk asked us a while ago if we'd lined up people there. Have we?

**The Chair:** I haven't had a chance to look at the witness list.

**Mr. Fabian Manning:** Do we have a witness list for St. Anthony and Gander? Is that prepared yet?

**The Clerk:** Last week I contacted the offices of all the members involved, asking them to give me a list of suggested witnesses and site visits. I am still waiting for the information.

**The Chair:** If anyone has additional witnesses or hasn't sent their list in yet, let's get at it *tout de suite*.

**Hon. Gerry Byrne:** On that, Mr. Chair, in the St. Anthony area I'd like to get some representation from southern Labrador as well, of course, outside of my understanding of it.

As for the topics, the management of the Canadian seal hunt is one specific issue, one venue, but is there any appetite for other issues?

**An hon. member:** Stabilization.

• (1310)

**The Chair:** The other issue was the Transport Canada issue dealing with boat stabilization. What we've done in other locations is ask boat builders, in particular, to come in. If you have the head of a fisheries group or someone like that who would like to talk about boat length, cubic metre size, issues like that, bring them there. But have them stay on subject; don't have them get off on another issue.

**Hon. Gerry Byrne:** On that point, just give me an idea so I can understand. We'll arrive Monday morning. Will it be evening sessions or afternoon sessions?

**The Clerk:** For most of the places, I am going to organize two panels in the morning: one from nine o'clock to 10:30 on the seal hunt, and one from 10:30 to 12 o'clock on boat stability. We'll keep the afternoons free for site visits.

**Hon. Gerry Byrne:** Richard, if you're travelling from St. John's on Monday morning to get to St. Anthony, and you want to start sessions at 9 a.m., that's going to be pretty tight.

**The Clerk:** I'm going to play with it.

**Hon. Gerry Byrne:** Okay, that's fine.

**The Chair:** François has a comment.

**Mr. François Côté (Committee Researcher):** I have a suggestion in terms of witnesses for southern Labrador. It would be interesting to hear from communities supporting the seal hunt, particularly if you could find some first nations people involved in the seal hunt.

**Hon. Gerry Byrne:** Yes, I spoke to the Labrador Métis Nation.

**Mr. François Côté:** That would be very interesting for the future study, and we could transmit the information we get from this to the European delegation.

**Hon. Gerry Byrne:** The final thing is that in terms of site visits, there's a state-of-the-art shrimp plant there that has invited the committee in to observe. The plant will be in operation. So that may be of interest to the committee. There are several other things we could look at, but I can put that together for members.

So we're free the evening of Monday, November 6, to do various.... I'd just like to put the package together for the committee to enjoy St. Anthony while you're there.

**An hon. member:** Hear, hear!

**The Chair:** I've enjoyed St. Anthony before. I've had to pray to St. Anthony the next morning after I've enjoyed St. Anthony.

Mr. Kamp.

**Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC):** Just to clarify, on Thursday we'll be flying to Halifax, arriving at what time? And is the charter then going on to Ottawa that night?

**The Clerk:** Yes.

**Mr. Randy Kamp:** Any idea of when it would get into Ottawa?

**The Clerk:** I'm going to get the information in the next few days.

**Mr. Randy Kamp:** Are we free to stay in Halifax if we're...?

**The Chair:** Yes, you can travel on your own, if you don't want to take the charter back to Ottawa; there might be better accommodations.

Monsieur Asselin.

[Translation]

**Mr. Gérard Asselin:** I received the committee's invitation to go on this trip. Unfortunately, I won't be able to make it. However, I will check to see if I can rearrange my schedule to go to the Magdalen Islands and possibly return to Ottawa the same evening, or the following day.

[English]

**The Chair:** *Merci.*

Okay, gentlemen, we have the motion put forward by Mr. Stoffer. We'll debate the motion after I read it quickly, as follows:

That the Standing Committee on Fisheries and Oceans adopt and report to the House of Commons the following motion:

The Committee on Fisheries and Oceans recommends that the Government:

1. Not apply Marine Service Fees on Canadian commercial ships transiting to and from waters north of 60° based on the socio-economic conditions of the North consistent with the fee exemption established in 1997;
2. That this exemption be applied immediately without any further delay and that the Canadian Coast Guard's cost recovery policy with respect to the North be subject to further review in the development of a national Future Approach to the Marine Services Fees;
3. Whereas the Marine Service Fees collected by the Canadian Coast Guard on the provision of sealift services to the Eastern Arctic is not consistent with the current exemption based on the socio-economic conditions of the North, specifically the reality that the Eastern Arctic is dependent on re-supply by way of the south given its unique socio-economic conditions;
4. Whereas the peoples across Canada's North including remote communities experience the highest costs of living in Canada; and
5. Whereas the communities and residents of the North maintain and exert Canada's Arctic sovereignty across the Yukon, Northwest Territories, Nunavut, Nunavik and Northern Quebec, and Labrador.

It's open for debate.

Monsieur Blais.

• (1315)

[Translation]

**Mr. Raynald Blais:** I have two comments. It's now 1:15 in the afternoon. I appreciate that this matter warrants our consideration. Moreover, a notice of motion has been received. I have only one question at this time. Could we postpone our debate? I don't feel that we could have an enlightened debate at this juncture. Could we postpone the debate until next Thursday?

Personally, I need to check into a few things, as you yourself mentioned earlier, before I can vote on this. Therefore, I respectfully suggest that we postpone the discussion until our next meeting. We'll have more time then, because our attention is focused elsewhere right now.

*[English]*

**The Chair:** I appreciate that. As always, the chair is at the will of the committee. I was hoping we could put this behind us today. Mr.

Stoffer asked earlier if we could hold it until Thursday, and we mentioned that we would try to do that, so if it's the feeling of the committee, that's what we'll do.

**Some hon. members:** Agreed.

**The Chair:** Okay.

The meeting is adjourned.

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