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—
Chair

Mr. Gerald Keddy

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• (1100)

[Translation]

The Vice-Chair (Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ)): I would like to start by apologizing for the fact that the parliamentary secretary, Mr. Randy Kamp, cannot be here today. He asked me to tell our witnesses that he had to be in his riding today on an urgent matter.

We have two groups of witnesses today, and each one has 10 minutes to make its presentation. Then we will go to questions and answers.

Please begin, Mr. MacDonald.

[English]

Mr. Ron MacDonald (Executive Director, Canadian Sablefish Association; Chair, Canadian Fisheries Working Group): Thank you very much, Mr. Chair.

Mr. Chair, I have been at these tables many times in the past, but this is the first time I've been at this end of the table, not the other end. I hope that some of my transgressions with earlier witnesses are not going to be visited on me today.

So that being said and done, I would very much like to thank the committee for allowing our groups to appear today to address them, and to request their assistance on an urgent basis on some issues that are affecting the fisheries on all coasts of Canada.

I wear two hats here today: one is as the executive director of the Canadian Sablefish Association, and I'll speak to that in a moment. The other is as sort of the coordinator of the Canadian Fisheries Working Group.

The Canadian Fisheries Working Group is an ad hoc group of fishermen's organizations from across Canada—both coasts—who have come together over concern about the implications of a lack of policy by the federal government after the Larocque decision of June 23 of last year.

With me today, representing some of those interests, is Robert Haché from the Acadian Crab Association, as well as Phil Eidsvik from the Area E Salmon Gillnetters Association, and Geoff Gould from the Area A Crab Association in British Columbia. I also am very pleased to have somebody I work closely with who will be making her own presentation, and that is Christina Burridge. She will be speaking more about her group in a few moments.

The reason we're here, members of the committee and Mr. Chair, is that something important and maybe momentous happened on June 23 of last year. Over the year, there's been a long-standing and

expansive process by the Department of Fisheries and Oceans to try to augment its budgets through the use of fish; that is, using an allocation of fish to pay for departmental activity. That practice has always been highly controversial, and I was actually a member of the government that probably started that practice many years ago.

We were cutting budgets and trying to eliminate deficits, so we started to reduce budgets in areas like fisheries management and fisheries science. We tried to find a way, without getting it directly from the A-base budget, to fund these necessary activities. So we turned to fish. Although in the beginning it was a small amount of fish to pay for a small amount of science that could not be covered, over the years it has gradually grown to significant dollars in fisheries, in most of the fisheries across Canada.

Indeed, the department has become quite adept at turning fish into money, which raises a number of concerns that I don't think we should be addressing here today. However, one concern relates to whether or not the practice is in accordance with the Financial Administration Act or is properly reported to Parliament. But most important for today is the Larocque decision, which clearly said that the use of the allocation of fish to cover departmental expenditures was outside of the jurisdiction of the minister. The question is whether the minister continued to do it after that court decision.

Most importantly, once the June 23 decision came down and clearly indicated that the department could no longer use an allocation of fish to pay for things like science and management, there was stunning silence from the department. We didn't hear anything from the department other than that it was business as usual. We knew from the court decision that it would be illegal from that point on to use an allocation of fish to pay for departmental activities. We also knew that it was illegal to coerce or to cajole fisheries organizations to have them use the fish, turn it into cash, and then give it to the government to be used to augment resources.

So most of our fishing organizations tried to get some policy from the government. We asked the department at the time, "What do we do? We need in-service surveys. We need surveys for stock assessment so that we can have a sustainable economic yield in our fisheries. What are you going to do?"

From June until today, the department has been silent. The department has told us it's business as usual. We have joint project agreements, which are important for the co-management of the fishery, some of which—as is the case in my fishery in sablefish—have expired. I sat down with the department and I said, “What do we do? We don't know who has to pay for what. Are you going to pay for the science?” And the department once again said, “We don't have a policy.” Well, the policy has started to come together, and it's a policy that is fraught with chaos, difficulty, and trepidation for those of us who have to live with it.

● (1105)

What we do know from the government, from the department, is that they've done an assessment, and they say that the value of quota, which had been used to pay for things like science and some management in the department, is probably at around \$28 million or \$30 million annually. My sector alone paid over \$2 million last year, \$1 million of which was an allocation of our quota to pay for science—which we believe is the proper responsibility of the Government of Canada.

We know that the government itself, the department, says it's about \$30 million, but the appropriation in the budget, the number that comes up in the budget, is less than \$11 million. That means that only one-third of the science, which was being done at a base level last year, pre-Larocque, will be able to be done with an appropriation from Parliament. This means that two-thirds of the base science that the department had determined in the past was required—the minimum required to economically and sustainably manage these fisheries—will be paid for.

That leaves a giant, gaping hole. It means that the department is going to have to pick who wins and who loses, without any framework of how you allocate that very diminished resource.

Will it be done by who's got the prettiest fish? Will it be done by who's got the best relationship with the DFO official? Will it be done based on need? Or will it be done with a degree of equity, parity, and transparency?

We've asked these questions. Stunning silence has been the response.

We're here today to speak to you—and we're really pleased that you've seen us—about the value of science, about the importance of Parliament appropriating the proper amount of money so that the fiduciary and legal responsibility of the government is fulfilled in managing this public resource. We are appealing to you to go back to your colleagues in Parliament, to the department and to Treasury Board, and to try to influence cabinet to give a full appropriation from Parliament to cover the value of the quota that had been used in previous years to cover things like science and management.

We are telling you that in the absence of a full appropriation, there will be chaos somewhere. I don't know where. I don't know which fleet. I don't know if it's going to be on the east coast or the west coast. But I do know something will suffer.

We're being told by DFO that they can't do it now, so if we want to do it, go ahead. Sablefish is an example. We do a yearly survey. That yearly survey works for us to try to assess the health of the stock and it tells us what our TAC can be. The department comes back and

says this to us: We can no longer fund that by quota; and by the way, we really think we need to do this only once every three years; and by the way, if we only do it every three years, what you're going to get is a very conservative estimate of the size of the biomass; and by the way, that means a lower TAC.

A lower TAC means less money to fishermen, fishing communities, processors, and other people who work in the fishery, but it also means tens of millions of dollars less for the Government of Canada in foregone tax revenue. At every level we need this addressed. If you don't like the fact that we need an expenditure, you need to look at the return for the government and the people of Canada that a vibrant fishery on all coasts will bring.

We're here today to tell you our stories. We're here today to tell you that what we need is support from this committee for a full appropriation from Parliament. It's probably going to be anywhere from \$20 million to \$30 million to cover that in this year while the department effectively gets its act together and comes up with a policy and a process to deal with the fisheries on all coasts of Canada; to determine what is an appropriate level of science and who should fund it; and to come up with a framework that is transparent and fair, that has parity as its centrepiece.

That is why we're here, and I want to thank you for allowing us to come here.

We'll be splitting our time at the table, Mr. Chairman, with a few other people.

I'd like to turn it over to Christina Burridge now so that she can introduce her group and give her comments.

● (1110)

Ms. Christina Burridge (Executive Director, B.C. Seafood Alliance): Good morning, Monsieur Blais and committee members. Thank you very much for inviting us here.

I'm here for the B.C. Seafood Alliance. I have with me Mike Featherstone, who is the vice-president of the alliance. He's also the president of the Pacific Urchin Harvesters Association, and he's the co-owner of Ocean Master Foods, which is a value-added processing plant in the lower mainland.

I also have Chris Cue. Chris is the senior director of fishing operations for the Canadian Fishing Company, the largest seafood company in B.C., also a significant licence-holder. He's the elected seine representative for areas A and B salmon, and he's the elected seine representative for the Herring Industry Advisory Board. He's also involved in groundfish and halibut.

So between us, you have representatives of most of the fisheries on the west coast. I hope you'll give my colleagues a chance to speak very briefly to the issues in their fisheries.

The B.C. Seafood Alliance is an umbrella organization. Our 17 members represent 90% of commercially harvested seafood in B.C. That's about \$750 million in sales annually.

We believe that sustainability and profitability can and should go hand in hand. We advocate for effective, efficient fisheries management that allows our products to be competitive in both the local and the global seafood marketplace. And I should tell you that this is a world where a chum salmon harvested in northern Japan, filleted in China, and sent to Vancouver sells for less than that of a fillet from one of our own fish.

In order to be competitive in this world, capture fisheries, which by their nature are uncertain, need stable, ongoing access and we need a predictable, regulatory regime. Without this, harvesters and processors cannot invest to meet the needs of the marketplace and will be unable to attract new entrants to the fishery. In our view, this stability must be founded upon solid science and research, because these are fundamental to the future health, stability, and economic viability of the industry.

In January 2007 we wrote to the Minister of Fisheries and Oceans expressing dismay over the lack of information from DFO on how it intended to deal with the implications of the Larocque and APPFA decisions, both in the short term and in the long term. We reminded the minister that we had a conference on co-management in 2002 and that one of the recommendations coming out of that, agreed to by DFO, was that DFO should clarify the governing policies and legalities of co-management funding mechanisms and provide clear direction to managers in the field about their use.

As a result of arbitrary practices on the east coast, we now have a situation on the west coast in which the formal policy of encouraging co-management of fisheries between representative commercial fishing organizations and DFO through various avenues, including using the proceeds from a specified allocation of fish to fund so-called "incremental" research and management activities, has been overturned.

I think you need to understand that this allocation is not free fish; it was agreed to by fishermen that it would be taken out of the commercial TAC. We wouldn't call it the perfect policy—that's why we made those comments in 2002—but it was based on a cooperative approach and it did work reasonably well for most of the last decade.

In our January letter we asked the minister to instruct the department to cover the costs of ensuring that fisheries could operate normally in 2007 while developing a new approach in conjunction with industry that would conform to the law of the land, would be fair to users of the resource, would be achievable over the long term, and would deliver the benefits that Canadians expect and deserve.

This hasn't happened. Instead, what we've had so far this year is a series of last-minute, ad hoc decisions that are patently inconsistent, unfair, and unsustainable. They are decisions that have pitted fishery against fishery, and they've strained everyone's working relationship with the department. This could hardly be otherwise. We understand that the Pacific region estimates the use-of-fish expenditures last year, 2006, at a minimum of \$10 million, possibly as high as \$15 million. This year they have \$3.5 million to contribute to those activities.

• (1115)

The court decisions have put the west coast industry into turmoil. DFO hasn't been able to provide any indication of how it intends to cope or what mechanisms are available to us. We've been told that we might not hear about the new policy framework until July. Well, by then most of our fisheries are either complete or fully under way. Simply from the gap, we find it hard to believe that the policy could be anything but inconsistent and unfair.

Actually, we agree with DFO: DFO does not have the tools or the resources to manage fisheries effectively in the 21st century. I think we would disagree with DFO that Bill C-45 is an acceptable way to provide them, but that's another topic altogether.

I think it's really important that you understand that funding for science and research is already inadequate, even before the court decisions, but the demands on science are only going to grow. There's the Species at Risk Act; there's the trend in fisheries management to ecosystem-based management; and last of all, there's the market demand for independent third-party verification of sustainable management, which will require significant additional resources.

I want to take a quick look at four west coast fisheries. I'll start with roe herring. That fishery contributed in the past about \$4 million a year to science and research through agreed-upon voluntary forfeit of catch and was used primarily for a roe quality testing program and for stock assessment. At the last minute—our fishery opened in March—DFO provided \$900,000 in funding for both activities, though not all that \$900,000 went directly to the two activities previously funded.

We need the roe testing program because it's the only way we can maintain our reputation as the top supplier of roe to Japan, and that's our only market. This year the roe testing program was barely adequate, and the stock assessment was inadequate. Next year we're told that DFO will be unable to fund the roe testing program, and stock assessment will only be partially funded.

Without these two activities, the multi-million-dollar investment funded jointly by Agriculture and Agri-Food Canada's CAFI program and industry to reposition Canadian roe in a dramatically changing marketplace will be jeopardized. The fishery in recent years has been worth somewhere between \$50 million and \$100 million, so it's a quite significant fishery that's at risk here. We have 1,550 licence-holders, and that makes DFO's suggestion that this should be funded through voluntary contributions impractical and legally unenforceable.

Since the chairman is telling me that I'm running out of time, I'll very quickly mention hook-and-line dogfish. This is a fishery that has been losing its market, its only market, in the European Union because of attempts by European conservation groups to protect European dogfish. It has to have Marine Stewardship Council certification. In order to do that, it needs a stock assessment, and that's \$375,000, which DFO doesn't have, for the first year, and \$70,000 after that.

On area A crab, I think Geoff Gould is going to speak to that later. Again we have a situation where the fishery is not able to deliver its full potential because of the shortfall in commitments to fund soft-shell crab sampling.

• (1120)

Very quickly, on salmon, we've had test fishing in place for decades. For the last 20 years or more, it has been paid for through use of fish. The Larocque decision means that cannot be done. We already saw curtailment in test fisheries and harvests last year. We don't know how it will work this year. And as one other example, we have \$500,000 that was raised last year through use of fish, and for enhancement and remedial work on Cultus Lake sockeye. That work is essential to increasing the harvest level on late-run sockeye. That money is sitting in the bank. It cannot be used.

[Translation]

The Vice-Chair (Mr. Raynald Blais): Unfortunately, I have to tell you that time goes by very quickly. However, you will have an opportunity to pursue your points during the question period. Thank you for your presentation. The idea is to give members of Parliament a bit more time to ask questions. At the same time, you may certainly come back to the topics that you were unable to cover in the time you had.

I would also ask for my colleagues' cooperation. I am sure you will be most cooperative today.

We will begin with Mr. MacAulay.

[English]

Hon. Lawrence MacAulay (Cardigan, Lib.): Thank you very much.

It's good to see you back, Ronnie. You didn't lose any of the gift.

Welcome to everybody else. Glad to have you here.

There are always major problems, but we'll try to assist, if we can, and put the proper recommendations to government. Hopefully they will heed them.

As a result of the court decision, they're now reviewing the existing practice and the collaborative agreements. You've addressed that pretty well. I don't think you're too agreeable to these agreements in the first place. You haven't had much involvement with DFO over the last few months either. But do you have any thoughts on the status of the review? Have you been consulted? Do you know how many of these agreements have been entered into across the country?

Mr. Ron MacDonald: Thank you, Mr. MacAulay.

Some of them are in limbo. These are basically funding mechanisms for co-management and co-funding of activities. It is

very difficult for associations to go forward when there's a complete lack of clarity about what is the responsibility of the federal government for funding, what is the responsibility of industry, and what's nobody's responsibility.

So in the absence of policy, my fishery has had to do a short-term, interim, much-stripped-down agreement just to allow our independent science to have access to departmental data. We've refused to pay for anything when it deals with science or surveys, because we think it's the responsibility of the government to respond to the court decision, and they haven't responded.

The person who can probably tell you more about some of the impacts due to lack of certainty is Geoff Gould. His fishery was the first one on the west coast that was impacted. They needed funding because they had an opening and it didn't happen.

Hon. Lawrence MacAulay: But before you do that I would like to put this in the mix. I understand there's some concern about Bill C-45. Ms. Burrige indicated that perhaps this wasn't part of it, but indeed it is. Do you feel that paying for a review and programs with fish is actually a tax on the fish and the fishing industry itself?

Mr. Ron MacDonald: My view is that fish is a public resource. The fishers pay for it through a licence fee. So it's almost like a tax on a tax. To take the resource and use it to pay for science or management effectively reduces the amount of catch that each licence-holder has available to them.

If you take it by way of cash or potential catch, it's still taking it away. So fish have been used for quite a while. I would argue quite strenuously that legislators need to sit back and find out what is indeed the legal and constitutional responsibility of the Government of Canada to fund a viable fishery.

Phil Eidsvik here can speak to that. In the terms of union with the Province of British Columbia, the federal crown indicated it would—What are the words, Phil?

• (1125)

Mr. Phil Eidsvik (Director, Salmon Gillnetters Association, Area E; Member, Canadian Fisheries Working Group): The words are “Canada will assume and defray the following charges—Protection and Encouragement of Fisheries”.

Mr. Ron MacDonald: So B.C. may be a little different, but constitutionally we believe the federal government has the responsibility to cover all those costs.

Hon. Lawrence MacAulay: But my concern is that this will accelerate and continue to grow larger. More fish and fish funds will go into research, and in fact it makes less cost for the federal government. We started this, but it doesn't mean that things have to remain the same. We want to make sure this doesn't continue and take more out of the fishery.

Mr. Ron MacDonald: It's been a slippery slope. In every year since this co-management began, there has been more and more squeezed out of the fisheries. When somebody comes and tells you that they're basically the judge, jury, and executioner—they're the ones who issue your licence, put the restrictions on your licence, and monitor you to see if you're actually in compliance with the regulations—and they say, "Ron, I think you guys should give us another 20% towards science. What do you think?", what do you think is the likely answer?

We're at the point now that last year, on a \$30 million fishery, my industry paid \$2.35 million in so-called voluntary payments to cover what I believe is more appropriately paid by the Crown through an appropriation by Parliament.

Hon. Lawrence MacAulay: And you have some fear that if you didn't volunteer the \$2-point-something million, there could be some difficulty on the other end?

Mr. Ron MacDonald: Post-Larocque, when they cannot now take fish and use fish, they've indicated to us that unless we find a way to fund the science, there will only be a stock assessment done every three years and that they'll take a conservative approach to the size of the biomass, which will lead to a much-reduced TAC during that period.

I don't know the legal definition of blackmail, but it's rather close to that, I think.

Hon. Lawrence MacAulay: I think Ms. Burridge has indicated that the roe testing program would be in jeopardy. I come from the east coast, and we certainly fish herring too.

I don't know the value of this fishery, but I imagine it's a very high-value fishery. What do you think will happen if they test only every two or three years?

Ms. Christina Burridge: If we're talking about the roe herring fishery this year, because the TAC was down, and because of the market and the strength of the Canadian dollar, it will be the lowest-value fishery ever. But in the last five years it has been as high as \$80 million in wholesale value.

We get that high wholesale value because of the roe testing quality program, which means that we can harvest the largest and the best roe for the Japanese market. Without it, we'd simply become a commodity producer having to compete with everyone else. Without the stock assessment, we'll be stuck with ever-lower harvests. We'll end up as a low-volume commodity harvester, so we won't see the value.

If I may talk very briefly about your other question—

Hon. Lawrence MacAulay: You mentioned fishers against fishers. I'd like you to touch on that too, more elaborately.

Ms. Christina Burridge: What's happened is that some fisheries have got money and other fisheries have got none. For instance, at the same time—and we raised these issues in our January letter to the minister—the roe herring fishery got \$900,000, while the area A crab fishery got none.

It is very difficult to coordinate relationships when inevitably some groups are winners and some are losers.

Hon. Lawrence MacAulay: Also, you've indicated something that's of interest to our area on the east coast, the dogfish fishery. I understand it's a very new fishery. Most of your market is in Britain, I think, or Europe at least.

Ms. Christina Burridge: It's in Britain and Germany, mainly.

Hon. Lawrence MacAulay: I'd like you to expand on what the value is now and what you think the value could be.

Ms. Christina Burridge: It's a small but important fishery, because it delivers benefits to coastal communities. It's a hook-and-line fishery. It harvests 5,000 or 6,000 tonnes, worth about \$9 million. Its only markets are the U.K. and Germany. Germany and the U.K. are unwilling to buy that fish, because it does not have Marine Stewardship Council certification, which is now pretty much becoming a requirement in northern European markets.

This is what I mean when I say that demands on science are going to grow. We've done a pre-assessment under the Marine Stewardship Council on dogfish, and that assessment concluded that the fishery was certifiable if DFO made some changes to its science. Fundamentally, the single thing that's most needed is a stock assessment. We haven't had one in 19 years. I think you've had one more recently on the east coast.

We went to DFO and asked how much it would cost. They said it would cost \$375,000 the first year and \$70,000 in maintenance thereafter and that they don't have the money.

● (1130)

Hon. Lawrence MacAulay: It's \$70,000 versus—What did you say the cost was, again?

Ms. Christina Burridge: It's \$375,000 for the initial stock assessment and \$70,000 for—

Hon. Lawrence MacAulay: How much is the value of the fishery?

Ms. Christina Burridge: Nine million dollars.

Hon. Lawrence MacAulay: And if that's not done, it could in fact destroy the fishery.

Ms. Christina Burridge: It will destroy the fishery.

Hon. Lawrence MacAulay: And this is an underutilized species, if I understand correctly, that's become—

Ms. Christina Burridge: Yes, you could probably say that.

Hon. Lawrence MacAulay: It's become of value.

Ms. Christina Burridge: Yes.

And we have exactly the same situation with salmon: because we don't have Marine Stewardship Council certification, we will see some of our product de-listed this year. We're looking at \$25 million worth of exports to Europe. The cost of complying with Marine Stewardship Council certification is certainly going to run in the millions of dollars.

Similarly, in the last five years we've developed a quite substantial market for halibut in the European Union. Again, without Marine Stewardship Council certification, we'll lose that market. We're very afraid that without adequate science we'll have nowhere to sell our fish products.

[Translation]

The Vice-Chair (Mr. Raynald Blais): Thank you very much, Ms. Burrige and Mr. MacAulay. Your time is already up. You will have an opportunity to come back to this on the second round.

Mr. Asselin.

Mr. Gérard Asselin (Manicouagan, BQ): There is one point I would like to understand better, and I would like to give you an opportunity to explain it differently. The federal government, or at least the minister, decided to use allocations of fish to fund research and development or science activities generally. You referred frequently to the *Larocque* decision, but the notes we have from the Library of Parliament also refer to the Décary decision.

Mr. Robert Haché (Member, Executive Director, Association des crabiers acadiens, Nova Scotia, Canadian Fisheries Working Group): *Larocque* is the same as Décary.

Mr. Gérard Asselin: The Federal Court of Appeal judge, Mr. Justice Décary, wrote that:

When the Minister decided to pay a contracting party with the proceeds of sale of the snow crab, he was paying with assets that did not belong to him. Paying with the assets of a third party is, to say the very least, an extraordinary act that the Administration could not perform unless so authorized by an act or by duly enacted regulations.

Could Bill C-45, which the minister is preparing to have passed, make a practice legal that is not exactly legal at the moment? Paying with the assets of a third party, unless authorized to do so by law or regulation, means, under Bill C-45 that what I consider a hidden, excessive tax would be imposed to increase funding for scientific research. Bill C-45, would allow the minister to do directly what is being done indirectly at the moment.

Mr. Robert Haché: Thank you, Mr. Chairman and Mr. Asselin. I will try to answer your question, because I am the person who is probably the most familiar with the *Larocque* decision. I worked on this issue as a consultant with the fishers involved, the crabbers in zone 12. What you say is quite right. Bill C-45 will give the minister all the authority to do exactly that. The problem will remain the same, if not worse, as long as there are no policies or guidelines to cover this practice.

On the other hand, in doing this, would Parliament be giving the government ownership of this resource, which, for years and years, has been considered a public resource, one that belongs to all Canadians, and not to the Government of Canada?

• (1135)

Mr. Gérard Asselin: In your appearance before the committee today, you are speaking out firmly against this policy, which you find quite unfair. For how many years has it been in place?

Mr. Robert Haché: It was established in 1995 and was based on some very good intentions: the government wanted to fund partnership agreements with the fishery by giving it more responsibilities and some decision-making power. The fact is that the department did not have the authority required to ask for

royalties from fishers to fund scientific research. So it started using quotas.

Mr. Gérard Asselin: Mr. MacDonald—

Mr. Robert Haché: Our main concern, Mr. Asselin, is the lack of a clear policy on the part of the federal government and Fisheries and Oceans following the *Larocque* decision. The problem is that no decision or program tells fishers clearly how scientific research will be funded. Some of our colleagues and some fisheries will not be getting any funding this year. That is the main problem we are talking about here this morning.

Mr. Gérard Asselin: Legislation cannot be passed without first consulting the people who will be affected by it. If the committee should succeed in convincing the minister to welcome consultations on Bill C-45, would you be interested in appearing before the committee again? This bill affects fishers and processors, in other words, everyone in the industry, as well as an organization like yours. Do you think it would be a good thing if we were able to convince the minister to do this?

[English]

Mr. Ron MacDonald: I think Bill C-45 is here because the department lacked the policy framework to correct *Larocque*. The Fisheries Act, I think, is here not because it's been well thought out nor because it's had a broad consultative process. There's been no consultation—zero. There's been no consultation. They pulled it off the shelf. It had been a failed bill in the previous government, and they said we need to give the minister the authority to take fish from the public and use it without an appropriation from Parliament to pay for these things. It's the only reason that I can see that a new government would come forward without consulting.

Bill C-45 gives a mechanism for the government to do something that is questionable at best and that *Larocque* said the minister does not have the authority to do. I don't think we should easily give those authorities to the crown. I think you have to be very cautious when you impinge on the public right to fish; the resource is not a crown resource, but a public resource, and that's vastly different. This bill tries to talk about a whole bunch of other things, but the crux of the bill is to absolutely do that. That is something I'm fundamentally opposed to, and so are most fishermen.

The problem is that they've not only funded science and management through this nefarious process, but they have also funded associations, so we have associations of fishermen out there who now have no mechanism to run their operations. Some in the department are going around trying to get support for Bill C-45 by saying that if you pass it, forget all the bad things, because we can amend it to be good things. As a former chairman of this committee, I think that's an impossibility, but they're saying that if you do it, there would be a mechanism to fund your association. I find that a particularly weak argument to support a bad bill.

The fundamental thing is that in the absence of policy coming out of the government, and in the absence of legislation that I think is supportable, we have a funding shortfall of probably \$30 million in a very fragile industry. Some of the weak fisheries will not survive, or, if they do survive, we will be penalized in the marketplace because we will not be able to prove, as Christina said, that we are fishing sustainably.

•(1140)

[Translation]

The Vice-Chair (Mr. Raynald Blais): Unfortunately, I must interrupt you. Thank you very much, Mr. MacDonald and Mr. Asselin.

Mr. Stoffer.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Thank you, Mr. Chairman.

[English]

Ladies and gentlemen, thank you very much for appearing before us today.

One of the terms I've heard on both coasts is the term "fish laundering", meaning you use fish to pay for your activities that have not been authorized by the crown—in this case, the Treasury Board.

Mr. Gould, you haven't had a chance to speak yet, but your industry is very valuable in your community of Prince Rupert—and Mr. Haché could, if possible, discuss on the east coast. Are there any allegations or concerns post-Larocque that DFO has done a nudge, nudge, wink, wink to various groups and associations that if we could do this, we'll help you? We could wait and pause until we get Bill C-45 to do it, but we need some money in order to do this so you can go and fish.

Is there any evidence of that at all, or any kind of documentation that may be available to show that DFO is indeed contravening the Larocque decision?

Mr. Geoff Gould (Executive Director, Area A Crab Association; Chair, Canadian Fisheries Working Group): In area A, no.

When we wrote to the RDG in British Columbia to ask them to fund our charters, we were just given a polite form letter two months later saying they did not have sufficient funds but were very interested in working with us in a joint project agreement. We wrote back and asked, "What kind of project agreement do you envision when you have no money to support it?" And that's where the matter died.

So for our area, no; but I'll let someone else take that question too.

Mr. Peter Stoffer: Go ahead.

Mr. Phil Eidsvik: Peter, I'll answer that question if you want.

I'm with the Area E Gillnetters Association, a salmon association on the Fraser River. We have a problem with a stock that was almost listed under the Species at Risk Act, but wasn't.

I did get some pictures. This is the lake where the fish swim and spawn. It's a very small lake, and heavily populated, as you'll see from the pictures, with boats, marinas, golf courses, and water parks.

The stock that goes in there is about 5,000 fish in a good year, swimming in a stock of 10 million to 15 million sockeye. The 10 million to 15 million run very healthy, but the small stock of 5,000 fish is unhealthy. So they need to do some rebuilding of the stock with some hatchery work, and some other stuff like that.

The government came back to us last March and said, well, if you guys don't come up with \$500,000, you won't be able to fish on the

big stock at a level that's appropriate. Last year, it represented somewhere between \$100 million and \$150 million in fishing opportunity to our fleet—and I'm speaking of the salmon fleet as a whole. So we fishermen agreed among ourselves that we didn't really have much of a choice between \$100 million over here or in coming up with half a million dollars over there. So the government agreed to issue us what were called scientific permits, intended for scientific research.

In August, a full two months after the Larocque decision, a bunch of our seine vessels went fishing and caught \$1 million worth of sockeye salmon, and went to the processors who paid the fishermen for fishing it. The processors then paid an association with the money. Then the association transferred the money over to another association, which was supposed to transfer the money to DFO, without going through Parliament for the appropriation process, to fund the hatchery and the other stuff to rebuild this particular run.

We're being told right now that unless we find a way to release that money—What happened is that our association clearly knew it was illegal and raised the thought, are our directors involved in this or complicit in an act that could either lead them to be sued or charged with some type of criminal conduct? We didn't know. So we wrote to DFO and asked if this was legal. The response was that the money had been frozen. The fish that should be being rebuilt right now are in danger of being released, where we know they're probably going to suffer nearly 90% mortality. And four years from now, we will have that \$100 million or \$200 million fishery with very little fishing in it—maybe there will be \$10 million worth of fishing then.

And again, DFO is saying "Guys, find a way to get us some money". The whole thing is very confusing. But certainly there was "Pay the bill, guys, or you're not going to fish". That was very clear.

•(1145)

[Translation]

The Vice-Chair (Mr. Raynald Blais): I think Ms. Burrige would like to add something as well, but there is very little time left.

[English]

Ms. Christina Burrige: I think what we've seen on the west coast is that we had a formal policy on use of fish, starting in 1999, which encouraged representative organizations to give up a portion of their catch in order to fund some of these activities. Now that's illegal, so DFO is in chaos; we are in chaos. What we need is a short-term fix covering off everything that was previously covered, and we need a long-term solution with a policy that's going to be fair and equitable and practical, and that takes into account both the state of the stock and the marketplace.

So what we'd ask the committee is, how do we get to that point?

Mr. Peter Stoffer: Right, but my—

[*Translation*]

The Vice-Chair (Mr. Raynald Blais): Thank you very much.

Thank you, Peter.

I will now give the floor to Mr. Lunney.

Mr. James Lunney (Nanaimo—Alberni, CPC): Thank you very much, Mr. Chairman.

[*English*]

Welcome to our witnesses.

It's an interesting discussion we have before us today. We're talking about science, conservation, and sustainability. I don't think anybody around the table questions that we need science to deal with the fishery today in order to be sustainable and effect appropriate conservation levels.

We also heard from Christina Burridge that it's a very competitive world. We have competitors on the other side of the world who can produce and provide a product to our own market for a fraction of the price.

We're dealing with a dynamic that changes extremely rapidly. If you look at the history of the fishery in the last few years, tremendous change has been forced on the fisheries. We all acknowledge that.

Regarding the whole issue of science, there are lots of different types of science, and DFO is putting more money into science in the general sense.

For the benefit of the committee, I'm wondering if you could help us. We talk about the types of scientific activity: sentinel fisheries, test fisheries, stock assessment, and science surveys. Could somebody do a rapid discussion of these?

If anybody around this table has been involved in test fisheries, we'd appreciate some comments, if you have any.

Mr. Chris Cue (Senior Director of Fishing Operations, Canadian Fishing Company; B.C. Seafood Alliance): I can give you a quick one on the herring that we just went through. We have an extensive herring program. In the past, we went out for the whole month of March and did charter systems, where you test the fish, put it in and it goes back to the biological station for overall stock assessment.

What happened this year was that at the beginning of February, we were finally given what I'd call a donation of about \$300,000 to do a condensed version. They called it the roe quality test program, but instead of doing it for the whole month, we got about 12 or 14 days out of it. It wasn't enough to give us the reality of what was in the water for that month. It was condensed right down.

Christina said \$900,000. A lot of that went to DFO personnel, who sort of took over from our herring conservation to take the dive surveys that were done only on a sporadic basis. They weren't fulfilling the whole science that we have.

When it comes to herring next year, we're going to have a smaller TAC, since we didn't fulfill our need for science because of the late timing of getting approval for the costs of our charter program.

When it comes to salmon, we have charter programs that are out in the ocean and work their way back. They give us information on a steady basis about how the fish are showing up in the grounds prior to getting to the spawning grounds. Without that, we would have no way of knowing how many fish are coming, what the diversion rates are, or any way to set up a proper business plan regarding how to catch fish.

Without those systems in place, you are going to struggle until the fish get to the spawning grounds. That's not going to be a very good thing if there are too many of them there. We need that forward-looking science.

● (1150)

Mr. Ron MacDonald: Is it possible for Geoff to answer that? He has a real practical situation here in B.C.

Mr. James Lunney: Sure, we'd like to hear from Geoff.

Mr. Geoff Gould: Thank you.

Since about 2000, we have done a soft-shell charter program. We test the crab to see when they're moulting. When they moult is when they mate. If we fish on the moulting crab, they're very fragile; we kill them. It's just silly to fish the moulting crab; they're not marketable, and it's illegal to retain soft-shell crab.

We started these charters around 2000. Prior to that the fishery was open for 365 days a year, and we were probably harming the resource. Fisheries brought in an ultra-conservative closure date of March 1 to August 1, months that the fishery would be closed to protect the moulting crab. We started the charters around the same year. We test the hardness of the crab shell and gather other useful data for fisheries: sex, injury codes, the size of the crab so we know the stock assessment, and that kind of stuff. As a result of these charters, on average, over the last five years we have attained an additional 67 days of fishing per season.

The opening, which comes by August 1, or sometimes as early as June or July, is when the bulk of the crab are caught. We probably harvest 80% of the crab catch in those first six weeks. The crabs come out of the deep and migrate into the shallows to moult and mate. If they're ready to go in June, which it looks like they might be this year, and you don't fish them until August 1, you have a chance of missing the entire fishery. This science is not just giving us additional fishing time; it's allowing us to fish the crab when they are harvestable and in their best marketable condition—clean, shiny shells with no barnacles, and stuff like that. It really helps in the marketing of them.

Just to show you the chaos that's going on, this year we asked the fisheries department for funding and they said they had none. We were open in January and February. Three of our fishermen who had done the testing in the past volunteered their time and their vessels and their crews' wages to do testing. We brought in the minimum amount of data that our fisheries person thought we should have, so we have some data this year. Now we're closed. We are in a situation where we have to test in May, June, and July if we want to open before August 1. Our fishermen are going to have to pay. They're not crabbing otherwise, because they're closed. They're going to have to use their own gear, their own boat, pay their crew, pay for their own grub, and pay their own fuel in order to test. Otherwise, they won't have a season. Running one of these boats is probably about \$2,500 a day. You're looking at the fishermen going into their own pockets for a hundred grand or more, just so they can have a fishery.

The way the data is shaping up, if we open on August 1 we're going to miss them. The crab are going to be gone. After they've been up in the shallows fooling around, they take off. We don't know where they go, because we don't have that science. We can't catch them once they get out of the shallows. If we don't do that testing this year, we stand to lose the biggest portion of our fishery. The landed value in Prince Rupert is about \$22 million a year. We could miss that whole thing.

If charters were properly funded by DFO, the approximate cost of a full charter package would be about \$300,000. It's a small investment for a big return for the government.

Mr. James Lunney: Did you say you had crews who went out voluntarily?

Mr. Geoff Gould: Yes.

Mr. James Lunney: Was that science data monitored by DFO, where it was recorded and went into the system somehow?

Mr. Geoff Gould: Yes. The crew we use on our charters has been trained by the DFO biologist. There have been three or four boats that have been more or less taking the charters. The crew is well trained in sampling these crabs. We have an annual seminar for them. Over the year they probably handle 4,000 to 5,000 crab each, which they test and monitor and all that. They're pretty good at it.

That data is accepted by the fisheries department as being completely legitimate and usable.

• (1155)

Mr. James Lunney: Do you have an agreement with DFO? Would you describe that as a joint project agreement in your fishery, or are you without an agreement at this stage?

Mr. Geoff Gould: In the past we would put charter bids out in November. Successful vessels would be decided by the association and DFO to make sure they were the appropriate people and they had a trained crew. They would bid on the charter in terms of pounds of crab that they would accept. They were allowed to harvest crab during the closure under a scientific licence to pay for the charter. It was a workable system. Not every fisherman agreed with it, but it was considered acceptable.

Obviously we cannot use the resource now. If they go out and test in May, they have to take it out of their own pockets. If we miss that season, that's not just money out of the crab fishermen's pockets;

there are fish plants in Masset and shore workers in Prince Rupert. As we know, when the fishermen are making money it's not just profit to a few of them; it benefits the economy. It benefits the federal crown. The government gets most of it back.

[Translation]

The Vice-Chair (Mr. Raynald Blais): I think your comment is of interest to many people. In fact, Mr. Haché and Mr. Featherstone would like to say something.

If I may, I will give the floor to Mr. Haché.

[English]

Mr. Robert Haché: This is just a very quick example. With snow crab, you have stock assessment surveys. They're done yearly. They allow you to know, in real time, how much available commercial biomass there is in the water. As an example, in 2003, just before Larocque—the decision of Larocque comes from this situation—the co-management agreement failed. Negotiations with the department failed because the department wanted to increase the capacity in the fishery to an unsustainable level—just to give you an idea—from 130 licences to over 700 allocations. At that time we said that we were not going to finance our own destruction, so we refused the co-management agreement.

When the minister saw that, he cut the quota by 4,000 tonnes, saying he would have no money to finance the science. To cut the quota by 4,000 tonnes in 2003 meant a lack of income of \$25 million for communities in northern New Brunswick and on the Gaspé Peninsula. After that, they decided to use the 50 tonnes from Larocque, and we said no, they could not do that. That's why we went to court with Larocque, to put things in perspective.

These are the types of situations we're faced with.

[Translation]

The Vice-Chair (Mr. Raynald Blais): You have the floor for a few seconds, Mr. Featherstone.

[English]

Mr. Mike Featherstone (President, Pacific Harvesters Association; Co-Owner, Oceans Master Foods; Vice-President, B.C. Seafood Alliance): Thank you, Mr. Chairman, committee members.

We've talked about test fisheries. We've talked about stock assessment. The other aspects of fisheries management include—For example, in our fishery we've collected lots and lots of data with stock assessments, but that data needs to be analysed and reported on. That is also a really important part of fisheries management, because then you have exploitation rates and natural mortalities and all the other things to sustainably manage a fishery. Once the fisheries are sustainably managed, we also need to focus on maximizing the economic value of taking that precious resource and bringing it as a value to all Canadians.

Now, we talked about joint project agreements. I'll give you just a quick example, because I know we're constrained by time here. My fishery this year had to cancel its joint project agreement, not necessarily because of Larocque—because we didn't fund from fish, we paid everything over the last number of years directly out of our fishermen's pockets—but because we've been impacted by an illegal, unregulated, and unreported Russian fishery that has decimated our markets. So here you have a small, valued fishery that has 600 to 800 shore workers in Vancouver. And all our fishermen live in coastal communities along Vancouver Island and on the north coast, as well. And we were only able, in spite of all our efforts to fish—

• (1200)

Mr. James Lunney: Could you identify your fishery?

Mr. Mike Featherstone: We are Pacific urchin harvesters. It's a red sea urchin fishery.

We were only able to fish 50% of our market. We collect our fees through a licence fee by regulation. They have to have a validation logbook to go fishing, which the association gives out, and we collect a \$5,500 fee, for a total budget of \$600,000. When only 50% of the quota is taken, only 70 licences out of 110 are activated, and that left us with a \$200,000 shortfall. So in spite of still contributing \$400,000 to the government, not being able to economically survive with our joint project agreement, I had to cancel that agreement with the minister. And now, at a recent sectoral meeting, we were told that —

[Translation]

The Vice-Chair (Mr. Raynald Blais): I have been extremely generous with the time. I would not want to jeopardize the other people's speaking time. I have been most generous; I will give you exactly 30 seconds more.

[English]

Mr. Mike Featherstone: Thank you.

So what we were told was that the effects of no funding... And I'm not saying no funding. We still gave \$400,000 this year from a collapsing fishery, due to international markets. If there were no surveys, there would be no updating on the new stock assessment model, there would be a decrease in confidence, and there will be a decrease in quotas.

This is a fishery that's given millions of dollars over the last ten years, cooperatively, to our partners in DFO. And now, because of economic returns that aren't there in the fishery because of illegal Russian fishing, we've been sort of left with no opportunities to fund our science. So we fully support this demand.

I appreciate you giving me just a little extra time. Thank you.

[Translation]

The Vice-Chair (Mr. Raynald Blais): It seemed to me that what you were saying was extremely important and relevant. That is why I gave you a little more time. Of course, you will appreciate that you can always come back when you have not had time to complete your answer, in the answers you provide to later questions.

Please begin, Mr. Simms. You have five minutes.

[English]

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Eidsvik, you brought up something earlier that is somewhat alarming, to say the least. Are you saying that post-Larocque, when by all means we're no longer supposed to fund science through the allocations of catch or what have you, there is money out there now that is being collected and being used? Is that correct?

Mr. Phil Eidsvik: Unequivocally, post-Larocque, there were at least two fisheries that I know of where millions of dollars were collected in the full knowledge that the fisheries were illegal.

Mr. Scott Simms: Did this receive the tacit approval of a DFO office?

Mr. Phil Eidsvik: We can't fish without a DFO licence. DFO issued the licences.

Mr. Scott Simms: Right. Now, you say it went from processors, association to association.

Mr. Phil Eidsvik: Yes. There were scientific permits issued to catch roughly \$1 million worth of sockeye salmon. Scientific permits were issued to the vessels. The fish were delivered to the processor. The processor paid the fishermen for catching them, deducted its processing fee, and forwarded the money to one association. The money was then transferred to a second association, and it was supposed to be transferred to DFO somehow, I'm unsure how, for use in this particular "enhancement project". The threat of litigation has resulted in that money not being spent. It's held in the association, reportedly. I'm not a signatory to the association, so I don't know, but reportedly the money is still in the association and has not been spent.

Mr. Scott Simms: And currently it's frozen, you could describe it as.

Mr. Phil Eidsvik: Yes, you could say it's frozen, according to what I've been told by one of the directors in the association.

Mr. Scott Simms: By one of the directors. Did you say this was a court order?

Mr. Phil Eidsvik: No, it was simply the threat of litigation because everybody pretty well—

Mr. Scott Simms: Threat by whom?

Mr. Phil Eidsvik: My association that I represent, because we were involved in the decision initially and we were concerned about liability for the association and for the people involved with the money, that it was possibly criminal. Certainly there was the risk of civil litigation by people who lost fishing opportunity to fund that fishery.

[Translation]

The Vice-Chair (Mr. Raynald Blais): Did you wish to add something, Mr. Haché?

[English]

Mr. Robert Haché: Yes. I have an example too.

In area 12 in 2006 an allocation of 1,000 tonnes of crab was given to APPFA, a fishermen's organization, in exchange for \$1.9 million that would go to pay for science. Following the Larocque decision on June 23, a lot of that money had not been spent yet. I assume there is close to \$1 million that has not been spent. We had asked DFO to give that money back to the licence-holders, because in the Martineau judgment, the judge said clearly that the quota that was taken away for science purposes, in all reasonable fashion, is quota that should go back to the fishermen. We have asked the department to give that money back to the fishermen, to the licence-holders.

• (1205)

Mr. Scott Simms: What was the response?

Mr. Robert Haché: They are holding the money.

Mr. Scott Simms: Is that for any particular reason?

Mr. Robert Haché: We don't know. We're going to court.

[Translation]

We have applied for mandamus

[English]

to force the department to pay that money out. It is in a legal proceeding right now, but that is another example that goes to show this chaotic situation.

[Translation]

The Vice-Chair (Mr. Raynald Blais): You have 30 seconds left, Mr. Cue.

[English]

Mr. Chris Cue: Just for clarification on what Phil's talking about, I managed that fishery in August for salmon. It was a fishery that was set up way prior to Larocque and agreed upon by all the salmon organizations in B.C. We went ahead with it, and we did it with DFO's blessing. Yes, there is money, and it's done by the CSAB, the Commercial Salmon Advisory Board. It is in their association, and it's not going to be spent until we get a legal ruling on how to use that money. It was supposed to go to enhance our ability in Cultus Lake to do a little bit to improve the smolts output in our lake and do a few other things on milfoil removal and other stuff. But it was supposed to go toward habitat enhancement on Cultus Lake.

[Translation]

The Vice-Chair (Mr. Raynald Blais): Did you want to be on the second round, Mr. Asselin?

Mr. Gérard Asselin: I have been listening to you. I must say that I find this quite shocking, because it does not sound like governing a

rich country like Canada, but rather a country like Bangladesh or Ethiopia.

The government is taking the assets of fishers, and we know that they are not necessarily rich people, particularly those in the groundfish industry. There have been moratoriums that have been very difficult for them. They have to pay for fuel, labour, insurance—everything. And here, the government is taking their assets to fund an activity that is the responsibility of Fisheries and Oceans Canada.

Moreover, we hear that their equipment, their boats and staff were used and they volunteered to do research, otherwise, the whole season would have been jeopardized.

How do you feel when you hear that once again this year the federal government has a \$15-billion surplus?

The Vice-Chair (Mr. Raynald Blais): Excuse me, Ms. Burridge had raised her hand just before you.

[English]

Ms. Christina Burridge: Canada is the sixth-largest seafood exporter in the world. Demand for seafood is growing. On the whole, though, in capture fisheries we don't have much opportunity to grow in volume because we're probably close to the limits of the exploitation levels. So what we have to do is improve the value that we get from those fisheries products in order to succeed. We can't do that without solid science and research.

I would hate to see us spending a lot of time arguing over what happened in the past. I think to be fair to DFO, the Larocque and subsequent decisions threw them into just as much chaos as it did us, but we are urgently in need of long-term solutions. And as you say, Canada is a rich country and we should be able to come up with a cooperative, collaborative approach to fix the problem.

Mr. Ron MacDonald: Mr. Asselin, I guess I come at this from a number of perspectives. I was here ten years, so I understand, or I hope I would understand from being here, what the public interest is and the role of Parliament in appropriating funds to support broad public objectives and also execute its constitutional responsibilities.

Working in the fisheries in British Columbia, it's astounding that an industry that has built Canada on both coasts seems to have such low priority. I'm not saying just with this government, but by successive governments, even the government I was in, that somehow fish isn't so sexy.

If you're the man or woman or family or coastal community that relies on that resource for your livelihood, for your future, it's rather sad that governments generally don't put a high priority on it. This government and previous governments have had billions of dollars in surplus. They reinvest it. There was a farm aid program of a few days ago that was over \$1 billion—a good investment for farming communities, and it's required.

We're talking about small investments in order to have a sustainable resource that every year can continue to generate or increase the generation of revenues in those communities for those families and to this government.

So it's hard to get the attention. I sat where Mr. Chairman is sitting, and I know how hard it is for this committee to get the broader attention of government. You have to get the attention of government on this. We are under, as Christina said, a microscope about how we manage our resources. We can lose a market in the snap of a finger, and when it's gone, good luck. Where are you going to find the money to get it back?

We have fought hard globally to show that we are sustainable producers. We've done that in spite of the fact that every single year government retrenches on what I believe is its legal responsibility to manage the public resource. And industry, because they're not very good at interacting with government, increasingly says it's okay if it's only a few more dollars.

The well is dry for some of these sectors. I cannot believe that \$30 million, which is not a large appropriation by the Parliament of Canada to sustain this sustainable, renewable resource, is such a big deal. I can't believe it has taken so much time to get people's attention.

In answer to your question, I am saddened that it takes so much effort to get so little resource, coupled with the resource that comes from our fisheries, so that we can continue to contribute to those communities, to those families, and to Canada.

It's a small request, but very necessary.

• (1210)

[Translation]

The Vice-Chair (Mr. Raynald Blais): Thank you very much.

Mr. Stoffer.

[English]

Mr. Peter Stoffer: *Merci, monsieur le président.*

Madame, you mentioned hundreds of thousands of dollars going to a certain particular area. Where did that money come from? I think you mentioned \$300,000 or \$900,000 as the figure.

Ms. Christina Burridge: Are you talking about the roe herring?

Mr. Peter Stoffer: Yes.

Ms. Christina Burridge: The \$900,000 came from DFO. Otherwise, I think we would have been completely unable to open the fishery in March. Correct?

A voice: Yes.

Ms. Christina Burridge: It's precisely what I meant, that it was a stopgap, ad hoc solution, and it's not sustainable. DFO has already said it's not sustainable.

Mr. Peter Stoffer: Right.

Did any money come from anywhere else?

Mr. Chris Cue: A little bit of money came through the AFS, through a couple of bands, to put a couple of small charters in their area. There was a little bit there, but I'm not familiar on the way it went. I'm pretty sure most of that money came from DFO.

Mr. Peter Stoffer: Okay, thank you.

You talked about a cooperative solution to get this thing done. It's quite simple: the minister has to go to the Treasury Board or to the finance minister and ask for the money to do the job that they're legally responsible to do. It's not that difficult. He just goes over, knocks on his door, and says, "I need money to do science, to do the surveys, to get this product out of the water and into the markets so we can have an economic livelihood for all three coasts and our inshore fisheries." It's not that hard.

There has to be a reason he's not successful in doing that. Maybe it's because old habits die hard, if it's easy to get fishermen to volunteer and spend their money to do something that DFO is supposed to do, or still, post-Larocque, continue on with these habits because they're thinking nobody will get caught. It shows you that this department, in my view—and I've asked year after year for an inquiry into the practices and the policies of this department—has taken a terrific resource on both coasts and completely destroyed it.

In 1992, if you look at the cod fishery, there was a \$4-billion readjustment for that fishery in Canada, and not one person in DFO was ever held responsible. Not one. It's like telling foresters they have to cut a bunch of trees and use those trees to pay for the forestry research, or telling other people in other industries—or telling MPs—you come to work for three weeks, you don't get paid, you volunteer your time. I wonder how we'd like it after that.

Isn't the solution quite simple? Isn't it that the minister needs to go back to the Treasury Board and to the finance minister and insist and demand that the money be there to pay for the science that needs to be done in order to assist your industries?

It's not that difficult. When I hear of the situation, "Well, we can't get the money right now, but we have a way of working with you —". I think, Greg, you said that, that they want to work in some sort of manner with you, and you're asking, "What does that mean?" They'll get back to you. That's like a wink-wink, nudge-nudge, don't you think?

• (1215)

Mr. Geoff Gould: Well, you're also saying that they need to get an appropriation of funds.

The total amount to fund the science properly is within their budget already. They just have to reallocate a few of their programs and the money is already there. They get a huge budget. This is not a big percentage of their overall budget. We say it's their basic mandate to fund these fisheries properly for the benefit of all Canadians.

[Translation]

The Vice-Chair (Mr. Raynald Blais): Mr. Eidsvik.

[English]

Mr. Phil Eidsvik: Thank you, Mr. Chairman.

I just want to add to your comment about the federal role in the fishery.

The federal government accepted the role, demanded the role to manage the fishery. When they did that, they assumed the responsibility to manage the fishery properly. That includes spending money.

What they're clearly trying to do here is exert jurisdiction over the provinces, over the fishermen, over the communities, but not pay the bill. They want to offload the costs onto the provinces and onto the communities.

The use of the fish, in the way they've done it in Larocque, is clearly an infringement on provincial rights. Fish are not property. The federal government's power to manage fish is management of the fishery, it's not to distribute the fishery as property. So when they come along and say, "Well, use this to fund DFO, use this to fund them", they're exercising provincial jurisdiction and clearly infringing on provincial powers.

Mr. Peter Stoffer: Thank you.

I have an e-mail here from Claire MacDonald, who's the senior adviser of small pelagics in DFO region. The minister just allowed, against all the protestation of inshore fishermen, a mid-water trawl off Nova Scotia. In her e-mail she says:

—a possible fall spawning survey on herring would be attempted by the mid-water trawl vessels using any balance of the allocation.

What do you think they mean by that?

[Translation]

The Vice-Chair (Mr. Raynald Blais): You had a little time. Perhaps you could come back on the next round.

Fabian Manning now has the floor.

[English]

Mr. Fabian Manning (Avalon, CPC): Thank you, Mr. Chair, and I want to thank our witnesses for being here today.

I'm from Newfoundland and Labrador and I'm quite familiar with the lack of science and research that's gone down over the years. It's certainly an eye-opener to hear some of the comments being made here today. We're well used to quota being taken for scientific purposes, and I always found a problem with that, whether it was here or in Newfoundland and Labrador.

I'd like to ask a couple of questions, if I could. In regard to this process of taking quota to fund science research, can someone tell me when that process started? How far back did some person in an ivory tower here in Ottawa come up with that grand idea?

Mr. Phil Eidsvik: I'll tell you, Mr. Manning, on salmon that process began a number of years ago. I'd say as long as I've been in it, which has been around 15 years, they've been doing that on salmon. Chris has been around a long time as well. He probably could talk about some of the other fisheries.

Mr. Chris Cue: I think the bulk of them started around 1997 with the herring and the groundfish in that area. For us, we had the coho response in 1996, and I think about 1997 is when we really started to get into this taking of fish to add to the charter programs in science.

Mr. Fabian Manning: In regard to shared stewardship and co-management, could anybody elaborate on that for me in regard to the consultation with the industry that went on? It seems that it works in some places. There's some success in regard to shared stewardship and co-management, but there seems to be a concern being raised in other fisheries apart from that. So would someone like to elaborate on that a little bit for me?

Ms. Christina Burrige: The formal policy was established in 1999, although certainly in some fisheries there were cooperative arrangements that go back quite a long time before that. I would say in the early days we had perhaps a rosier view of co-management than we do now. Many fisheries accepted the terms and conditions of that.

I think the problem in the last decade has been that as DFO budgets have consistently been cut back, there's been a creeping incrementality whereby every year DFO comes back and says, "Well, we need you to fund a bit more". So the cost to industry has increased, but there hasn't necessarily been any demonstration of what the benefits are that we're getting. One of the problems has been—and we said this in 2002 and we've said it since—that there isn't a clear understanding of what should clearly be for the public good and that government should fund. Are there some things that industry should fund?

I think we certainly need to have those kinds of discussions. But the current situation, whereby DFO just offloads costs arbitrarily and says "We won't give you a fisheries management plan if you don't pay for this", is unacceptable.

• (1220)

[Translation]

The Vice-Chair (Mr. Raynald Blais): There is one minute and 45 seconds left.

You have the floor, Mr. MacDonald. Then it will be Mr. Haché's turn.

[English]

Mr. Ron MacDonald: I think people will question this. I read the JPA when I took over for the Sablefish Association, and I have to tell you, it's brilliantly written. If we got one-tenth of the benefits out of it that we're supposed to get, I'd say hallelujah. The reality is the documents sometimes become less convincing in the results of real co-management. What they really have become is a thin veil for a mechanism to milk money out of the industry, to supplement without appropriations from Parliament the departmental budget.

Do I believe in co-management? Absolutely. Do I want a co-management agreement? Only one that works. I want a framework established by the department that's the same for every fishery on the east and west and north coasts of Canada. Every agreement is different. In some agreements, I pay 100% and he pays 20% and they pay 100% of his. What kind of system can you have in fisheries where there's not transparency, certainty, and some parity in the way it's done?

So in many respects I think it started off well. We need to continue to work towards co-management, because it is the best model, but it can't just be used as a thin veil for another pump to get moneys that otherwise should not be going in, through laundering fish into money, basically.

[Translation]

The Vice-Chair (Mr. Raynald Blais): Would you like to use the remaining 30 seconds?

[English]

Mr. Robert Haché: Very quickly, the advantage for bureaucrats in saying that one pays 20% and the other pays 100% is very simple: it's divide and conquer. This is something we've seen at DFO for a long time. Anybody who's been involved with that department knows that.

This has to stop. We're going to ruin everybody.

Mr. Fabian Manning: Can I have just 30 seconds more—?

[Translation]

The Vice-Chair (Mr. Raynald Blais): Thank you.

Mr. Cuzner.

[English]

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Thank you very much.

I'd like to congratulate our co-chair here, who's doing an adequate job filling in today.

Some hon. members: Oh, oh!

Mr. Rodger Cuzner: First of all, I apologize for not knowing this, but I wonder if I could get some clarification on something. Does Larocque address agreements going forward, or does it reach back to current agreements that are in place?

Mr. Robert Haché: It deals with one case—one case that happened in 2003.

Another judgment, the APPFA judgment from Federal Court, also has jurisprudence that deals with a situation in 2005.

There are specific cases of using resources to finance government activities, but there are an awful lot of other situations like Larocque, like APPFA, that do exist.

Mr. Rodger Cuzner: Mr. Cue, would DFO not be in contravention of that ruling in the set-up they have with your organization? Or are you going to court to determine that?

Mr. Chris Cue: At this stage, we've elected not to go to court. DFO has elected not to appeal Larocque.

Everybody agreed unanimously to raise some money to assist us in our fishery. Once Larocque came out, we found out that we couldn't spend that money, because if somebody challenged us, we'd be responsible for it personally.

So we won't be spending that money until we get a legal ruling. Where that comes from, I'm not sure, but it does hamper us in our herring assessments as well.

[Translation]

The Vice-Chair (Mr. Raynald Blais): I think Mr. MacDonald wanted to answer your question.

[English]

Mr. Ron MacDonald: Mr. Cuzner, it's the wild west out there.

DFO gave a briefing to this committee, I think in January, as a follow-up note to a presentation they made in December. They clearly indicated—I'm not going to look for it now, but it's in my

documents here—that once Larocque came out, they had stopped doing what the court said they did not have the authority to do.

But they continued to do it. In the case of sablefish, they went and funded a survey with \$1 million on September 1 of last year.

They deny that this is in contravention of the court ruling. We have a letter in to the minister. I have waited two and a half months for a response, and I haven't even had an acknowledgement that the letter is in.

We do not want to sue the federal government. That is not my business. What we want to do is say, "You cannot be in breach of a court order; you cannot potentially be in violation of the Financial Administration Act." And to the department we want to say, "You cannot mislead a parliamentary committee by saying things that aren't true."

I'm not looking for money. Maybe I will be tomorrow, but today I'm just looking for the department to recognize that they got caught without the options on the table, and they need to have this responded to by policy. In the interim, because there's a lack of policy, all of the fisheries all over Canada are seeing uncertainty about where the science funding is coming from. That is going to jeopardize those fisheries.

•(1225)

Ms. Christina Burridge: I think part of the problem is that the lawyers don't really agree on what Larocque actually says. That complicates matters, and has made for all kinds of problems.

For instance, in B.C. we could have a situation where the representative association voluntarily, even happily, agreed to the arrangement to use fish to fund science and management. They can't do it now. And they have no other mechanism to fund that science and research, even if they're willing to pay for it 100% themselves.

So that's part of the problem.

Mr. Rodger Cuzner: Both of your groups agree that if the minister were to intervene and interpret Larocque, there is a solution for this, in this case, rather than going back to court.

Ms. Christina Burridge: Yes.

Mr. Ron MacDonald: Yes.

Mr. Rodger Cuzner: Both groups agree with that. Okay.

On a different tilt, you had mentioned some of the arbitrary measures that have taken place on the east coast. You're saying that in the absence of a framework, arbitrary measures have been taken on the east coast with regard to science.

Mrs. Burridge, that was part of your comments.

Ms. Christina Burridge: When you read the Larocque decision and the APPFA decision, it's hard to see how DFO could have justified what it did. In the case of the west coast, I think it's a little bit different, because we did voluntarily enter into those arrangements. Representative associations entered into them. We may not be entirely happy with them, but they're not arbitrary in the way that they were on the east coast.

Mr. Rodger Cuzner: Do I have a minute?

[Translation]

The Vice-Chair (Mr. Raynald Blais): You have 15 seconds left.

[English]

Mr. Rodger Cuzner: All I'm saying is that this has been very worthwhile. The presentation has been very worthwhile.

Mr. Stoffer was saying that there is no portion of crops, or dairy-producing cows that are allocated for research through Agriculture Canada. What I see is that once you've entered into these agreements, with good intent and for the right reasons, and once you've set a precedent in being involved and paying for the science, then they start chipping away, and it grows and grows and becomes commonplace. Unfortunately, it's drifted to that. Hopefully we're looking at Larocque to pull that back.

[Translation]

The Vice-Chair (Mr. Raynald Blais): Well done, Rodger, you managed to get a little more time, despite what I said at the start.

Would you care to continue, Mr. Asselin?

Mr. Gérard Asselin: I have a letter here that states that \$39 million was set aside for the next two years, and this seems to be inadequate.

Based on your experience and your needs, how much should the minister have set aside for fisheries research at the Department of Fisheries and Oceans? The \$39 million mentioned in the letter I have here, which was signed by Michelle James, seems to be inadequate for the next two years.

It becomes a little difficult for us, as members of Parliament, to pass the budget—and you are well aware of this—because we have the department's version, but we do not necessarily have all the information. However, at an upcoming meeting with senior officials, the deputy minister or the minister, we can certainly tell him h could get some more funding, because the needs do exist.

[English]

Mr. Ron MacDonald: These estimates get more complicated to read, but you've got to be able to separate it down into its component parts. What we do know is that the department indicates that \$25 million to \$28 million worth of work was done last year pre-Larocque through an allocation of fish. We know that of that \$39 million, there is less than \$11 million—Is that right, Christina?—to mitigate against that.

• (1230)

Ms. Christina Burridge: I believe so.

Mr. Ron MacDonald: As Christina had indicated earlier, even that was way too little.

In actual fact, if this year we did just the science that was done pre-Larocque and paid for by the government, there'd be a shortfall of probably \$20 million. Two-thirds of the activities will go unfunded. I think Christina, from a B.C. perspective, can give you more on what that means.

Christina.

Ms. Christina Burridge: In B.C. the department's estimates for the the Pacific region itself are \$10 million for the low estimate and \$15 million for the high estimate. They told me before I came here

that they have \$3.5 million. That is before we start looking at things like a stock assessment for dogfish. It's before we start looking at things like meeting the conditions for marine stewardship and cancelling certification of salmon. The science for that is going to run into several million dollars.

We actually need a new approach to science, and we hope this committee will encourage the department to do that, because we have to position our fisheries to be successful in the 21st century, and we're living in a backwards world. If we want Canada to maintain its position as a significant seafood exporter, and if we want coastal communities, businesses, and individuals to be able to benefit from the wealth of our seafood resources, we have to find the money for science.

[Translation]

The Vice-Chair (Mr. Raynald Blais): Is that it, Mr. Asselin?

Mr. Gérard Asselin: It is great that you have come to meet with the committee members to make us aware of the issue. However, have you expressed your needs in a written document? Is the minister or the Department of Fisheries and Oceans aware of your needs?

I know that coming here involved travel and was very costly. We are pleased to meet with you and to find out about what you are experiencing. We can certainly try to talk to the minister and to the officials, but the organization representing fishers in that region must have a substantial written document so that the officials preparing the estimates are fully aware of your needs.

[English]

Mr. Geoff Gould: I would say yes, Mr. Asselin, the paper trail is large. It really helps our forest sector, because we keep using their paper to try to explain to the government what we need.

The problem is not really within DFO, and therein is the problem. The problem is beyond DFO. It's inside the cabinet, it's inside Treasury Board, where all of these various “want lists” get vetted before a budget.

So when I deal with senior people—and I'm sure for Christine it's the same—they may have to say to us, “No, you can't have it”, but privately they're saying “Please, we hope you're successful. We cannot manage these fisheries with the resources we've got.” They understand the precautionary principle; they understand the international pressures. So we're almost preaching to the converted inside DFO, at least in the regions that we represent. The problem is, they are told, “This is what you've got—go manage.” And it's at a point at which they know they cannot manage to the high principles they would want to.

[Translation]

The Vice-Chair (Mr. Raynald Blais): Thank you very much.

Before giving the floor to Mr. Stoffer, I would like to take the time to ask just one question about a document we received from the department. These are some briefing notes we received in response to a request by the committee. These notes contradict one of the points you mentioned. So I would like to allow you to react to this so that we know what is true and what is not.

It states that the Federal Court decisions in the *Larocque* case have no bearing—this is the department speaking—on the scientific projects carried out by the industry when the industry pays for them and when quotas are not used to fund these activities directly or indirectly.

I would like to hear your comments on this statement by the department.

• (1235)

Mr. Robert Haché: I think that statement is correct. If, at some point, a group of fishers wanted to take money out of their own pocket to contribute to the costs of an activity in partnership with the government, whether scientific in nature or something else, in my opinion, this would not run counter to the judgment in the *Larocque* case. However, I do not think that is what we said here this morning.

Provided the contribution is voluntary—The problem arises when the contribution is forced or determined based on a quota. If it is called a voluntary contribution and the fishers are told that if they do not pay, they will lose 4,000 tonnes of quota, is that really a voluntary contribution? We have to understand the subtle distinctions.

I am not sure whether you understand what I mean.

The Vice-Chair (Mr. Raynald Blais): I'm going to ask Ms. Burrige to answer as well. Then we will go to Mr. Stoffer.

Mr. Jean.

[English]

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): A point of order, Mr. Chair.

I'm wondering, from what date was the quote that you read?

[Translation]

The Vice-Chair (Mr. Raynald Blais): This document is in response to our correspondence in January or February 2007.

Ms. Burrige.

[English]

Mr. Brian Jean: Of this year. Merci.

Ms. Christina Burrige: Strictly speaking, perhaps the department is correct; but practically speaking, they're wrong. And the reason for that is that the *Larocque* decision takes away the mechanism whereby people could contribute on a voluntary basis. If, for instance, we take the example of roe herring, which we were talking about earlier, you have 1,550 licence-holders and you have no practical or legal mechanism by which you could get those people to contribute. So we are at a complete impasse here. There is no short-term solution, because the mechanism has been lost to us.

[Translation]

The Vice-Chair (Mr. Raynald Blais): Thank you very much.

Mr. Stoffer.

[English]

Mr. Peter Stoffer: Mr. Chairman, thank you.

It's the noble profession of a fisherman who would want to take money out of his own pocket to pay for his own activity. It's incredible.

But I want to get back to post-*Larocque*. You said on September 1 there was a million dollars from sable fish used to pay for science or management. Is that correct?

Mr. Ron MacDonald: Yes, that's correct, and through our JPA we have agreed to the use of fish to fund science.

I have talked to my members and I asked, "How did we get there?" And they said "If we didn't agree to it, DFO said they wouldn't do it, and if DFO didn't do it, they'd take a very conservative view of the stock size, which would lead to a smaller TAC, so we really didn't have a choice."

They were satisfied with being able to get science done if that's what it meant to have an efficient economic management of the fishery. But the legal issue that comes out here is the department knew on June 23 that it did not have the power to do that. It continued to do it.

So I guess because I'm a former parliamentarian, I am not just looking at the practical or what we wanted or they want; I am also saying that departments cannot act contrary to the laws of Canada. You can't do it.

Mr. Peter Stoffer: Who on the west coast would you deal with in DFO?

Mr. Ron MacDonald: We would deal with starting with the groundfish manager up to the RDG, but those decisions are not made there. Those decisions are made in Ottawa. At the time there was an exchange of e-mails between the former executive director and the regional office, which said, "Are you sure we're still able to do this, because we had a legal opinion that says that this is not legal."

Mr. Peter Stoffer: Who in DFO, sir?

Mr. Ron MacDonald: I'd have to check, Mr. Stoffer, to find out, but the individual who relayed that to us also said that it was not their decision, that it had been sent up the flag to Ottawa.

So somebody in Ottawa had looked at this and said it was business as usual, which was rather arrogant, and they continued through. So the point we've tried to make in exchanges to the minister is you simply have to stop this paternalistic approach to dealing with fisheries.

The issue of the allocation of quotas is one, but the bigger issue is the context or the milieu in which the department at a senior level out of Ottawa deals with the fishers of Canada. We're hoping that this alone would help us to change that, so that when you had co-management, it was real co-management to try to change the paradigm on the relationship.

I want to tell you something, Mr. Chair. One thing that my members would do, we'd pay for all the science in our fleet if they allowed us to manage our fleet. But to have to pay and leave management to other places is not what we're prepared to do. If the Government of Canada wants to play the major role in managing the fisheries, then they should pay a proportionate share or a proper share of the science to manage those species.

• (1240)

Mr. Peter Stoffer: Thank you.

Mike, you had talked about the \$200,000 shortfall that will affect the industry. Can you just elaborate a bit more?

Mr. Eidsvik, you wanted 30 seconds to complete an answer for Mr. Manning, so please go right ahead.

Where do you think that money is going to come from, Mike, and how fast do you have to have it?

Mr. Mike Featherstone: They've clearly told us that if we don't have that money, there will be no stock assessment, there will be no reports, there will be no updating of the stock assessment model, and it will lead to a decrease in quotas.

So there is no way for an industry that has contributed millions over the last ten years for management and stock assessment—unless I went back to my members and said, “By the way, boys, everybody has to buck up”, even though 40 of them didn't even go fishing because the market has been destroyed by an IUU fishery, which is a global problem.

It just goes to show you how you can do everything right. Our industry has been recognized as one of the most sustainable urchin fisheries in the world. We've worked hard to maximize the economic value of that fishery. But you run into a problem in the market and all of a sudden you're left not being able to sustainably manage either from the conservation or economic point of view.

So really there is no method for us to gain that money back. And I think it is really unfortunate in our case that we've been involved in this co-management program for years and contributed millions of dollars. Now when we're in trouble, the government has basically told us, tough luck.

You've contributed millions for years, and every year, by the way, the department has asked for more and more money. It's not just what you agreed to when you first set up your fishery. It's every year there's an incremental increase, funding biologists, funding someone to follow us around where we go fishing every day. It's \$600,000 a year out of a fishery, \$5,500 a licence.

That's the red sea urchin fishery, but if you look at the geoduck fishery, we pay \$50,000 a year for our licence to go fishing, to manage. We have three biologists, for example, who are on the payroll, who we pay for. This year, in spite of the fact that our industry was paying for them, they had to take them away from our industry and give them to the herring people because there were no resources for the herring people. So one fishery is paying for the biologists but then they have to go to herring fishery because there's no money to pay for them.

[*Translation*]

The Vice-Chair (Mr. Raynald Blais): Mr. Lunney.

[*English*]

Mr. James Lunney: Going back to right after Larocque, I think we have to say that DFO took steps to comply. You know a national working group has been set in place to review all existing use-of-fish arrangements and to develop policy on future arrangements.

In fairness, in some of the fisheries you discussed here that were done after Larocque, the arrangements were made pre-Larocque and were already in place with industry. Some members are raising alarm about the government doing illegal things, but we're in a transition zone here; agreements were made ahead of Larocque, and we all have to adjust to that, including the department. I think that needs to be said. Mr. Cue, the arrangements for the fishery that you were describing took place well in advance of the Larocque decision, if I'm correct on that.

We've described here that the agreements vary greatly from one sector to another. I heard Mr. MacDonald mention east and west, and I want to bring in the great east-west divide here. The fisheries are very complex. They're different from those on the coast, and the arrangements are complex that way as well.

Add to those complexities issues of climate change. There is going to be a tremendous demand for more science in the oceans if we're going to be able to reach goals of conservation and sustainability. We needn't pretend that this is not a complicated issue, and it's going to be even more so, I'm afraid.

Add to that competition from other people who don't respect the same rules. Then we have ocean water temperature changes; regardless of what's contributing to climate change, it's happening. Cold-blooded critters—the higher-order animals there, the fish—are affected by those ocean temperatures, particularly the migrating species. Then there are the crustaceans. You've got changes happening up the coast of California. You've got dolphins and minke whales washing up because of changes in the plankton, toxins in the water, and stuff like that.

Let's understand that we have a change in paradigm that you talked about, and there's going to be a demand for more science. I appreciate, Christina, the way you've framed this, recognizing that we're going to have to find a way to enter into this, but complicated as it is, it's unreasonable to think it is going to happen instantly; we're in that process.

Let me ask you this question, then. Obviously there's a discussion going on in the department, which has taken the position that there's a difference between basic levels of science that are required for conservation and sustainability and a higher level of participation. Scientific activities are not absolutely necessary to meet those goals, but additional science has been undertaken that proves to be a direct and exclusive benefit to the groups—i.e., the industry and the fisheries, with all due respect to the complications of your urchin fishery. I certainly would like to follow up on this illegal participation from an illegal unreported fishery involving a Russian fleet. We need to take action on these issues to protect our stocks.

I want to suggest to you that this distinction exists. Do you accept and agree with this distinction? Why or why not? Would you comment, Geoff?

• (1245)

Mr. Geoff Gould: Well, in area A crab they tried to distinguish our charters away by saying it was a charter for the benefit of a limited number of fishermen. As I've told you, it isn't; it's a benefit to the economy and to the coffers of the federal government when we fish.

They just tried to dismiss our charters. They just said they have these fixed dates and conservation is looked after, but they completely ignored the economic benefits of our fishery to the area and to Canada.

In one letter they just dismissed us, saying the charters aren't important, yet they fully supported our having them for five years. They gleefully took the data from us and said it was valuable data. They trained our crew members to collect the data. It was all very important at the time, when it could be paid for out of the resource; as soon as it looked as though they might have to pay for it, all of a sudden it wasn't important. We say they just made that distinction up to avoid paying for it, period.

Mr. James Lunney: Might we say that the court decision has been inconvenient for everybody, because it's upset the whole apple cart in the way the arrangements were taking place?

A voice: Yes.

Mr. Ron MacDonald: Can I just respond to that? We do agree. We do agree, but it's the role of government, when unexpected things happen within their jurisdiction, to try to address them in a timely fashion and to mitigate against any negative consequences as a result of those actions. Fundamentally, there needs to be parity as well in the way they respond to those people who could be injured or to situations of potential injury. You mentioned that post-Larocque they were in a tizzy.

One of the reasons we pursued from the sablefish is that there's been an inconsistent response and policy. I'll quote from the same document, from the January briefing. It says, "The department has already undertaken to fund, through DFO A-base moneys, a number of science-related activities, which began in July 2006, including \$2.2 million in post-season crab surveys." They say that because of Larocque they had to fund the post-season crab surveys, but in our case they didn't have to.

All I'm seeking—because my background is public policy—is clarity, parity, transparency in public policy. The department's response in this interim period has not been that. And when you raise these things with the department they get angry with you, because they think you're pointing a finger. We're pointing out inconsistencies, hoping that we can work with them in order to resolve them.

On the issue of the interim while the department goes through this adjustment, what we need is clearly, Mr. Chair, a full allocation from Parliament to cover all of the science that would have been covered by an allocation of quota. Second, as Christina said clearly, we need a process undertaken to determine the base science that needs to be done, the fiduciary responsibility of the government, and the

responsibility of industry—and we want a process that's transparent, so that we stop this one-offing within various sectors in our industry.

[*Translation*]

The Vice-Chair (Mr. Raynald Blais): Unfortunately, the time is up.

We have slightly less than 10 minutes remaining. I know that Mr. Jean would like to have the floor. If we follow the set order, we will not be able to give him the floor. So, with your permission, before we conclude, I will allow Mr. Jean to ask a question. Then, we can continue.

You have the floor, Mr. Jean.

[*English*]

Mr. Brian Jean: Thank you, Mr. Chair.

I'll try to run my seven questions into one, as closely as possible.

If I understand it properly, the Larocque decision is the only decision that currently causes so many problems—

• (1250)

Mr. Peter Stoffer: There are two decisions.

Mr. Brian Jean: There are two decisions, okay. My understanding of the Larocque decision is that the government cannot charge money to issue licences to fund scientific data collection. Does that in essence sum it up?

Mr. Robert Haché: No. The particular department cannot use the sale of quota to finance.... The department can charge a fee for a licence; it does that already. But it cannot use revenue from quota to pay for its activities.

Mr. Brian Jean: That's why I thought it was a bizarre decision, until I understood what you said previously: the department sometimes plays favourites, one against another, and uses that. Now I understand the rationale behind that decision.

I sort of liken it to fur management, and oil and gas exploration. For instance, I'm a registered trapper in Alberta, and they use the funds that I bring from fur and hunting to fund scientific data collection. It seems like a reasonable thing.

I'm not a regular committee member, but I'm interested in what was alluded to previously by Mr. MacDonald.

You talked about self-funding and self-management with regulatory oversight from the government. Do you see that as being an option that could be pursued in the future?

Mr. Ron MacDonald: I thank you for the question.

You've just provided probably the first glimpse of some sanity into how we can manage our fisheries on an ongoing basis. There are many models out there that are results-based, instead of rules-based.

I used to be in the forest sector in B.C. We had a rules-based model that sort of assumed that everybody who cut a tree was going to destroy the environment. So they papered you over with countless reams of regulations that ripped over a billion dollars out of the sector.

Or you can go with results-based, where you say that these are clearly the required outcomes, and you will manage towards those outcomes. You give rewards for proper outcomes, and you give heavy penalties. You make them more prescriptive, more rules-based for non-compliance.

There are models out there that I think you would have industry pay for. If industry were actually managing the resources to objectives set by governments in a clear matrix, with consequences, you would see the industry primarily stepping up to the plate.

There are good ones in New Zealand and Australia that you could look at.

Mr. Brian Jean: My only question is, does anybody disagree with that model?

Mr. Robert Haché: Certainly not.

Mr. Geoff Gould: In area A, we pioneered electronic monitoring on our vessels. We have cameras on deck, hydraulic sensors to tell when they're pulling a pot, radio tags on the buoys, and GPS positioning. That costs our association about \$300,000 a year, and this money comes out of the fishermen.

It hands clean data to DFO on the fishery, and it puts their enforcement cost to near zero, because the fleet is totally monitored, at the cost of the fishery. So we're already managing that fishery, spending a huge amount of money, and we're getting nothing back.

Mr. Brian Jean: Why duplicate it?

Mr. Geoff Gould: We're getting nothing back from the Department of Fisheries.

[Translation]

The Vice-Chair (Mr. Raynald Blais): You have the floor, Mr. MacAulay.

[English]

Hon. Lawrence MacAulay: Starting with Mr. Eidsvik, you had wanted to make a statement or respond to something but didn't get a chance. I'd like to give you the floor.

Mr. Phil Eidsvik: Thank you, Mr. MacAulay.

I wanted to respond to the question that because this has been going on for 15 years in salmon, and since 1997-98 in other fisheries, just because Larocque came down it was a big deal and we were just trying to accommodate ourselves. The reality is that it was a unanimous Federal Court of Appeal decision. Three of our senior judges in Canada said this was illegal. Despite that, the department authorized the harvest and sale of millions of dollars worth of fish in British Columbia. The fact that it was authorized pre-Larocque is

really immaterial to when the fisheries took place. The fisheries took place after Larocque, in one case at least two months, in one case at least three months, and in the case of the herring money, the money was collected years ago.

We agreed to fund that fishery, \$1 million worth of salmon. If we had not funded it, the department was saying you're not going to fish on \$150 million worth of fish over here. Did we have a choice to catch \$1 million worth of fish in return for a \$150 million fishery? It's nice to call it voluntary, because we signed the papers, but tell me, did we really have a choice to sign the papers? The answer is no.

We have a lawyer working in our office, and every day he walked by the person who was administering that fishery and would ask how the illegal fishery was going. We all knew it was illegal. Everybody knew it was illegal. The department shouldn't have authorized it, but as fishermen we had no choice but to put up the money. I raise it today because we're still in the same box. The department is not doing the work necessary to rebuild this run. They're telling us this year our harvest rate is going to be very, very low because they don't have money to spend on it. Four years from now we're not going to have a fishery because they're going to let the fish spawn into the lake this year. It needs to be dealt with now, and I fully support what the other fishermen are saying.

We need the department to commit to all the science that was done pre-Larocque. It needs to be funded now.

• (1255)

Hon. Lawrence MacAulay: Thank you very much.

My next question is a large question. There's a lot of discussion around here about Bill C-45. Some people think it should be pushed right through.

[Translation]

The Vice-Chair (Mr. Raynald Blais): That will be the last question.

[English]

Hon. Lawrence MacAulay: Thank you, Mr. Chairman. I appreciate it.

The problem we have is some of the problems you have brought forward. Obviously you're not against the co-management, but you're concerned about all the different deals right across the country.

Can you give us in capsule form what process should take place before Bill C-45 comes before the House again? All we want to do is put a bill in place that will be helpful to the fishery, not hurt the fishery. It's been referred to. Is it inappropriate? I just want their opinion. They're obviously involved in the fishery, and I want to know what to think.

Mr. Ron MacDonald: I think what you would need on Bill C-45—There are some good things in Bill C-45, as people in my industry have mentioned. I say by the time you get to the good things, you'll be dead. It's not a good feast when you can't eat it. The reality is that there needs to be broad consultation on the bill, which has not happened. It needs to happen before second reading is approved in Parliament, because we all know—I've been here, you are here—that the bill cannot be substantially amended after second reading. It's been approved in principle.

The amendments the fishermen want to put in that bill will be ruled out of order by Mr. Milliken, the Speaker. I know that. I've been here. Things haven't changed. *Beauchesne* is *Beauchesne*.

We need the government to get off this hobby horse. They have to push this bill through. They should refer it to a committee for study

on a number of subject matters before it goes back for second reading. I don't understand why the government would not want to do that. If they want to pass the bill, they'll bear the consequences in fishing communities across Canada.

[*Translation*]

The Vice-Chair (Mr. Raynald Blais): That will be the last comment. I would like to thank all of our witnesses for coming and helping us understand their concerns better.

I would also like to thank my colleagues for their good behaviour at this meeting. Thank you.

The meeting is adjourned.

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