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## **Standing Committee on Fisheries and Oceans**

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**EVIDENCE**

**Thursday, February 14, 2008**

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**Chair**

**Mr. Fabian Manning**

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## Standing Committee on Fisheries and Oceans

Thursday, February 14, 2008

• (0905)

[English]

**The Chair (Mr. Fabian Manning (Avalon, CPC)):** It being 9:03, we're going to start. Somebody advised me to wish everybody a happy Valentine's Day. When I look around the table, I don't want anybody to take that the wrong way.

I want to welcome everybody here this morning. I certainly want to welcome the minister and his officials. We have about an hour, Mr. Minister, so I'm not going to belabour the point but allow you to get right to your opening remarks. Then we're going to open the table up for questions.

The floor is yours, sir.

**Hon. Loyola Hearn (Minister of Fisheries and Oceans):** Thank you very much, Mr. Chair and members of the committee. Good morning, everybody. My good friend Mr. Byrne just reminded me it's Valentine's Day, so happy Valentine's Day to everybody.

I'm very pleased to join you. With me today are my deputy minister, Michelle d'Auray; my new associate deputy, whom you haven't met before, I don't believe, Claire Dansereau; Canadian Coast Guard Commissioner George Da Pont; DFO's assistant deputy minister of human resources and corporate services, Cal Hegge; and no stranger to you as members of the committee, Mr. David Bevan, my department's ADM of fisheries and aquaculture management.

As always, let me recognize the value of advice the committee provides to the Department of Fisheries and Oceans, particularly your recent work on small craft harbours. Thank you for the interim report in December. I look forward to seeing its final version after you return from visiting the east coast harbours.

As I was mentioning to one of your members just a few minutes ago, I sat on this committee for five years and thoroughly enjoyed it. During that time we had an extremely good cohesive relationship with everybody. I credit a lot of what is happening in the field of fisheries—some of the initiatives we have taken, some we continued from previous ministers, some new ones—to the work of the committee. In fact, if you look at some of the key issues with which we're dealing, you will see that the ideas, the reports, and the suggestions and recommendations really came from this committee. So again I thank you for that.

As minister, my top priority has been renewing our fishery for the long-term prosperity of its participants. This means considering the economic viability of the fishery and positioning the industry to provide the right products to the right markets at the right time. This approach is about improving the value, rather than the volume, of the

fishery for everybody up and down the seafood chain, to preserve a good livelihood for the many Canadians who fish in our waters. That's why I've gone to great lengths to work with stakeholders on an ocean-to-plate management approach that supports economically viable fisheries, a collaborative approach that I announced last April.

I believe that all players—the provinces, territories, and all facets of industry—must come together for the future of our fishery. We need to share ideas and a common direction to build a sustainable and economically resilient industry. I don't for a moment underestimate the challenges to the fishery or believe this vision of viability and resilience will be achieved easily.

At the same time, I'm proud of the progress we've made in stabilizing the industry and setting the stage for its long-term success. We see elements of this progress in the renewal policies I announced last spring, which have given fish harvesters greater flexibility and opportunity in running their businesses successfully. We see it in the multi-year integrated fishery initiatives that our government has put in place on both coasts. These initiatives are helping stabilize commercial fisheries for all participants and encouraging greater participation in the fishery by first nations under a common set of rules.

We see this progress in our policy to preserve the independence of an inshore fleet in Canada's Atlantic fisheries by phasing out controlling trust agreements. We see it in the new measures we're working on to help fish harvesters more easily secure financing from lenders.

Let me add that moving forward toward a collaborative and transparent management of an economically viable fishery lies at the very heart of Bill C-32, a bill that has had the support of the provinces and many stakeholders. The bill will modernize Canada's Fisheries Act to bring it more in line with today's industry and market realities. It will give participants a greater role and a greater say at the decision table.

After second reading we will look to this committee to help make the legislation the very best it can be for Canada's fishing industry and invite any further input from Canadians as you see fit.

In addition to the viability of related investments and initiatives, we've made progress on other fronts as well, such as enhancing marine safety, providing additional tax relief for retiring fish harvesters, and improving the health of our fishery resources and oceans.

For example, we committed \$324 million in the last budget to bolster the Coast Guard fleet, which has been part of the \$750 million overall commitment to the agency since February 2006.

We made permanent \$20 million in annual funding that would have otherwise expired for the small craft harbours program to maintain safe and accessible harbours.

In 2006, our government introduced the lifetime capital gains exemption of \$500,000 on the sale of fishing assets, and we increased that to \$750,000. Of course, you know if it's sold within the family, there are no clawbacks whatsoever.

Of course, my vision for an economically viable fishery does not forsake the importance of other imperatives like sustainability of the resource, because without sustainability, there can be no long-term prosperity.

Internationally, our work with other nations in combatting overfishing and in improving Fisheries and Oceans governance is paying dividends. In 2005 there were 13 serious infractions in the NAFO regulatory area. In 2006 there were seven. Last year there was only one.

You may recall that in October we announced a total of \$61.5 million over five years toward improving the health of Canada's oceans through a number of initiatives led by DFO and other federal departments.

DFO is also leading a \$13 million investment in six research projects on climate change in northern waters as part of Canada's participation in the International Polar Year. We hope this research will provide a broader understanding of the effects of climate change on marine ecosystems in the north and what we might expect in the future further south.

Through last year's federal budget we were able to make substantial new investments in fisheries science and ecosystem-based management to the tune of \$39 million over the first two years. This new funding has allowed us to stabilize our key science activities in collaboration with the fishing industry and to augment our ecosystem-based approach to research and fisheries management.

I'm not going to go on through a lot of other things, Mr. Chair, because I know you want to get into questions, and undoubtedly we'll talk about some of these things. But one of the key things that I believe we did over the last couple of years was to work with a number of provinces on what they refer to as fishery summits. In New Brunswick, Newfoundland and Labrador, Quebec, and P.E.I. to a lesser extent, we held major round table discussions, major summits, involving every single player in the industry, from the towns to the industry representatives, harvesters, processors, marketers, and governments.

The interesting thing was that at the end of each one we had—and this is something I'll put in your heads for a later study, perhaps—a

questionnaire asking, what is the biggest problem facing the industry in your region? A lot of us would think it would be wharves, Mr. Blais' area, or too many people chasing too few fish, as we hear. No, it was marketing. Every single area, all four, unanimously, said the biggest problem we have is marketing. If you come down to it, it's the end product that counts. If we don't put a good end product on the market and if we haven't achieved every possible ounce, inch, or cent out of that resource, then we haven't done our job. Somebody has fallen short.

So Mr. Chair and honourable members, I'm proud of what we're doing. I'm proud of the work the committee has done to help us do that work, and I recognize that the achievements alone can't address all the challenges that face Canada's fisheries. Because these challenges didn't manifest themselves overnight, there are no quick-fix solutions. But I believe, on the whole, we are taking the right steps in the right directions.

It will take time and the focused efforts of our government, our provincial and territorial partners, fishery stakeholders, and this committee to secure a brighter future for our coastal citizens. Providing Canada's fish harvesters with a modernized legislative framework would certainly be one way to keep the industry competitive, and it would help ensure that Canada's proud fishing heritage continues for generations to come.

● (0910)

I look forward to the continued guidance of the committee in building an economically viable and environmentally sustainable fishery.

Thank you very much, and certainly I'll be pleased to answer any questions you have.

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

We'll open the floor for questions now. I just remind every questioner that your allotted time includes the answers. I'm going to be sticking close to the time this morning to ensure that everybody gets at least a solid first round here.

So we have 10 minutes for Mr. Byrne and the Liberal Party. Are you splitting your time with Mr. MacAulay?

**Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.):** Yes, Mr. Chair, if I could take the opportunity to split my time on the first round with my colleague, Mr. MacAulay, it would be appreciated.

Mr. Minister, colleague and friend, welcome back to the committee. As you've served on this committee for five years, you're always welcome back here. I know you're going to have a lot to say this morning. I hope you took the opportunity to remind yourself of what you said in those five years. It could be very helpful.

One of the reasons this meeting is very helpful to us is that we're engaged in a small craft harbours study. We deliberately took an opportunity to table an interim report on small craft harbours prior to the Christmas break to prepare you and your department for a budget submission on February 26, as we now know the date is.

Minister, you've said on numerous occasions that there's a substantial infrastructure requirement within the Department of Fisheries and Oceans. The Auditor General has reported on the Canadian Coast Guard fleet, and you did say that you will be rectifying that problem. That's a problem in the billions of dollars.

In our interim report we identified, in terms of the small craft harbour program, upwards of almost \$1 billion in requirements. The interesting thing is that the information came directly from your officials. Between the rust-out problem within the small craft harbour portfolio, divestiture, the needs of the north, and other issues, there's close to \$1 billion that really needs to be injected into that particular program.

Are we expecting to see big news for the Department of Fisheries and Oceans on February 26?

• (0915)

**Hon. Loyola Hearn:** Thank you very much for the question. The short answer is, who knows? I make my requests the same as everybody else, and then you fight for your share of the budget along with not only other departments but other needs within your own department. And you do list those things as priorities.

I totally agree with everything you said. In fact, going back to my very first day on this committee, I was appointed at caucus, I guess. The first meeting was in the afternoon, and the first day they were setting the agenda for the coming few months. I happened to suggest that one of the things we should look at—I highlighted three things, actually—was the coast guard. The other was overfishing, and the third was infrastructure.

In fact, the committee, through some travel, but through a lot of spadework by some of us, and even some good pictures, demonstrated the need to immediately move on infrastructure. That fall, in the budget of the former government, they brought in \$20 million a year over five years, which expired last year. We made that funding permanent, because we couldn't do without it, and we added, I believe, an extra \$11 million to that last year.

At the time, one of the witnesses was the person who looks after small craft harbours, Mr. Bergeron, and if you look at the minutes of that first meeting we had with departmental staff, he mentioned that it would take, I believe, \$400 million at that time to bring our infrastructure up to standard, not to say make gains.

Certainly in terms of the work that has been done over the last few years, even though we've increased funding, I don't think we've made any major headway on that. Second, the price of everything has gone up substantially, particularly in recent years, which aggravates the problem.

There are a couple of things. Perhaps I should do your study. I'll try to sum up very quickly.

First, you mentioned divestiture. That is an issue that has not gotten the attention it deserves. In the departmental budget over the

last number of years the amount for divestiture has been around \$1.5 million. Really, in divesting, if we could just take the wharves and say to the communities or the fishing groups or the marina associations, "Here, take it, it's yours", it would be great. I believe, David, we could get rid of over 300 wharves across the country that we're not using any more.

In some cases, towns or marina groups or whatever would love to have them. But the deal is, basically, that before we give them to anybody, we have to bring them up to standard, and it's not cheap. However, if we could find some way of offloading a lot of these, then instead of annual maintenance and insurance and whatever, we could put it into the wharves we need. With all this stuff we talk about in the fishery and what we have to do, if you haven't got a wharf to fish from, you're not going to fish. So I recognize the importance of it.

**The Chair:** That's your time, Mr. Byrne.

Mr. MacAulay.

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

Welcome, Mr. Minister, and your great support staff.

Of course, small craft harbours is a major issue in my district, and there are always a lot of problems. Some of the complaints are about the patch-up work done, that if the money had been put toward general maintenance of the wharf, the end result would be a lot better. Sometimes things are done that don't seem to be financially sensible. But whatever—you can't stop that.

I have a question, Mr. Minister. Last year DFO transferred two licences from the large purse seiners to two boats, one of which was 125 feet long and capable of seining and towing a mid-water trawler the size of a football field and a quarter of a mile long. This caused great concern in the fishing industry. The large vessel also carried the two types of gear and was capable of changing quickly at sea.

I'm aware that the owners decided to not exercise their option, but there's a great concern in my province, and in the maritime provinces for sure, about this type of licence being issued.

I think PEIFA has been in contact with you. They've been in contact with me. Do you plan to issue those licences to the two mid-water trawlers this year to fish herring in the gulf region? It's an important issue for stock that's in jeopardy in the gulf.

● (0920)

**Hon. Loyola Hearn:** Thank you very much for the question, Mr. MacAulay, and thank you for your comments about my officials. We have a very good group, as a lot of you know. You've dealt with them for a number of years. When we've lost some, we've picked up people who can certainly do the job. We're very pleased to have such a group around us. We like to talk about them as our team, throwing in our political staff as well. It's the only way you get things done.

On the trawlers, there are a couple of things. Number one, there are two distinct categories in relation to fishing. You have your inshore fishery and the allocation that's set for the seiners—not mid-water trawlers. This was a new experiment a couple of them were going to try.

It doesn't matter what they use, as I've said before. Whether it's a dory or the *Queen Mary*, there is the same amount of fish; they can only catch it in certain areas, and what they use doesn't matter as long as they stick to the rules.

The seiners have been pushed from pillar to post by everybody. Is it even going to last? I don't know. Will there be an application? I don't know because they seem to be very frustrated. They're not allowed to fish near P.E.I. any more, as you know. Parts of the gulf have been shut off to them. Herring is migrating.

We are concerned about the herring fishery because there are so many things happening to what was once a lucrative fishery. We had a bait fishery and a roe fishery, but we also had a very good fishery that provided a lot of jobs, particularly in New Brunswick, when a quality product was landed. A quality, fresh product that could be consumed by humans was landed by the seiners. All of that is gone.

If your question is on whether I will issue a licence, I will only issue licences to boats that will fish in the areas where they have quotas—not beyond that—not to do any more destruction than anybody else would, because they only have their own quotas. I will not in any way jeopardize the stock by issuing licences to anybody.

Will I be fair and give people their just desserts? The FRCC is now looking at this whole issue. If changes are recommended, we'll certainly go along with that. But I know about the concerns you've raised.

**Hon. Lawrence MacAulay:** The concern is that this net is a quarter of a mile long and approximately a football field wide, and it'll catch herring. The fact is, it'll catch everything else in the sea too, and there will be massive destruction to the fishery in the area.

That's the concern the fishermen have brought to me, and that's the concern I want to bring to you, Mr. Minister. We're very concerned in Prince Edward Island that this boat will be allowed to fish next year. We hope you will stop that.

**The Chair:** Sorry, Mr. Minister, you'll have to answer later. We're going to Mr. Blais now.

[Translation]

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

Good morning, ladies and gentlemen.

First of all, I want to emphasize that I am disappointed we can only have you for an hour. Apparently you were only available for one hour. You'll readily understand that the subject to be covered requires more time.

I'm going to ask my questions quite quickly. I know that you will cooperate by answering them quickly as well.

First, I would like you to give us the 2007-2008 financial data in the small craft harbours file, by area. I'd like to know how the money was distributed and the area distribution. I imagine you'll cooperate in that regard. As you can imagine, quite easily and without surprise, the small craft harbours file is the first one I'll be addressing with you.

Unfortunately, we have to revisit this subject, and you know very well why. We're starting to feel the very serious effects of a lack of action in this matter, not only on infrastructure, but also on volunteers. Last year, they repeated to us that they were frustrated, tired and fed up with the situation. They are indeed the first people to receive the message from users who feel the present situation makes no sense and are suffering from it.

In the riding that I represent, for example, the L'Étang-du-Nord port authority is preparing the way for a mass resignation. Unfortunately, this could well occur elsewhere.

I'm going to side with Mr. Byrne in that regard. Has a request been made to the Department of Finance for a substantial amount of money in the February 26 budget?

● (0925)

[English]

**Hon. Loyola Hearn:** We're obviously looking for substantially increased funding in all areas. We have a lot of needs in the department, and we hope we will do very well, but in the meantime we'll use what we have and use it properly.

I think Mr. MacAulay made a very good point when he said we spend a lot of money and if we did the job right we'd save. However, the problem is—I think Mr. Blais put his finger on it—there are so many needs. Sometimes you have to just bring it up to an acceptable standard to operate from—do the minor repairs and so on—to keep it going, in light of the fact that you hope to have more money down the line to do a permanent job.

We try to identify priorities in regions. Our field staff will come and say, "Look, if this wharf is not fixed this year you can't operate". We saw some emergency work done this past year after floods, ice damage, and whatever. We try to correct those things as quickly as we can, but that sometimes cuts into the priorities we have for the next year. The percentages haven't changed. We haven't fooled around. The same standard is there.

Mr. Hegge may want to refer quickly to the percentages. We have a set percentage across the country and it hasn't changed. Quebec still gets the same share it always got. How it's used within the region is the important thing.

[Translation]

**Mr. Raynald Blais:** It's only a matter of time. I asked you to provide me with the area distribution in the next few hours or, at most, in the next few days.

I pointed out to you that the members of the port authority at L'Étang-du-Nord, in the Magdalen Islands, are simply threatening to resign en masse because they're fed up. This same situation is occurring elsewhere at other port authorities. Will we have to get to the point where resignation is the only option for these port authorities and these volunteers, who already cooperate to a large extent, as you know? This attests to the situation.

The other subject I would like to address with you unfortunately reoccurs every year, as you know very well, since we've previously had occasion to talk about it. What do you intend to do this year, in 2008, to avoid the shrimp crisis in Quebec or at least to try to resolve this deadlock?

[English]

**Hon. Loyola Hearn:** I'll reply very quickly.

By the way, you mentioned having only an hour. If any of you, members of the committee or not, have specific questions and want some time, contact my office and we will arrange to meet with you. Whether it's from myself or the staff that you're looking for the information, we can arrange that. That's not a problem. If you want me back again, I'll come every second week, if I'm free. So that's not a problem either. It's finding time. As some of you know who've been here before, we don't have a lot of it.

First, the total amount of money, we've already determined, is somewhere between \$400 million and \$1 billion to really bring all our facilities up to par. Am I going to get that kind of money? Of course I'm not. So is everybody going to be happy? Of course not. But if you work with us, we'll try to make sure the job is done. That's the same in other sectors, not just the fishery and not just wharves.

In relation to shrimp, that again has been a concern for all of us, last year in particular. We have some plans for this year. However, first of all, we want to see what the industry is going to do. If you remember, last year there was a crisis in Quebec, and New Brunswick to some extent, but New Brunswick and Newfoundland depend on the same fish, fish the same product the same way, process it the same way, and send it to the same markets. The plants in some areas, particularly in Newfoundland and Labrador paid significantly more to the fishermen than they did in Quebec. So it wasn't a government problem or the fishermen's problem. The problem was that the processors were not paying the price to the fishermen. When they did pay the price, we didn't have a problem. If the processors think government is going to come out front and say, "We'll subsidize you—your fuel, your price, or whatever," they'll have a field day. So let the market determine the price, but if fishermen need help, we'll be there to help them.

● (0930)

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

Thank you, Mr. Hearn.

Ms. Bell.

**Ms. Catherine Bell (Vancouver Island North, NDP):** Thank you, Mr. Chair.

Thank you, Minister, for making time to come to the committee today. If I were your scheduler, I'd be a little worried that we might have to be changing that every two weeks for you to come here.

But I appreciate the openness you have extended to us. Also, I want to thank your department for taking leadership on an issue that caused great concern in my riding, which is the sinking of a barge in Robson Bight. Unfortunately, it took a little bit of time to get DFO on board to go down and do the investigation that was so necessary, but we're really happy that you did that, and now the video has been released of what is down there, and we hope this can be brought up as soon as the weather gets better.

The people of the west coast are very concerned about issues like that because of the sensitive waters. We have a lot of issues with disappearing salmon, the whales that create a huge economy in tourism, and things like that, so people are very concerned about keeping the area clean and healthy for the fish and the economy.

I know DFO has introduced the Pacific north coast integrated management area plan, or PNCIMA, on which you'll be working with provinces and aboriginal groups. But there's a concern that fishermen, stakeholders, industry, and the communities will not be part of that process. Also, there doesn't seem to be any movement on that front at this time, so people are concerned that the process is stalled.

We'd like to know where that process is, what's happening there, and if you will be engaging communities, stakeholders, and those kinds of people to make sure you hear all those voices so that we don't have another accident such as we had in Robson Bight. So I'm wondering, what are the plans to implement the PNCIMA?

**Hon. Loyola Hearn:** Thank you very much for the question and comments.

As you mentioned, Robson Bight came together because we worked closely with the provincial government, and departments of fisheries and environment in particular. I should say to you that we probably have a closer and better working relationship with the Province of British Columbia than with any others. We work very closely with all of them and their ministers, but British Columbia has really come to the table and taken a leadership role in a lot of ways, particularly in relation to environmental issues as they affect the oceans and the fisheries.

You were asking if we are going to involve people in the area you're talking about. No project of that magnitude—no setting up of a marine protected area, for instance—will be a success if you don't involve all the players. We have had examples in the past of governments coming in from Ottawa and saying they were going to protect the fish and create a marine protected area, and it didn't work. It didn't work because the people didn't understand, weren't involved, and didn't support it. Within a few years of the original failure, these people, after asking about and learning about and realizing the importance of such areas, were coming and asking for such an area. So we'll be involved.

It's moving ahead. My deputy might want to add a little bit more on it, but it is moving ahead, and we'll be involving all the players—absolutely, we will.

●(0935)

**Ms. Michelle d'Auray (Deputy Minister, Economic Development Agency of Canada for the Regions of Quebec):** Minister, you've laid out that we are working with all the stakeholders. What we are working on at the moment is a governance structure for the PNCIMA that includes and involves everyone. Until all the stakeholders are comfortable with the governance structure, we won't be moving ahead; that's what we're working on at the moment.

**Ms. Catherine Bell:** Thank you.

I've asked this question in the House of Commons a couple of times. It's about—

**The Chair:** Ms. Bell, we have about 20 seconds for your question and your answer.

**Ms. Catherine Bell:** —money for habitat restoration, management, protection, and enhancement. There are a lot of pressures on the fishery. When I go home, I talk to fishermen, hatchery operators, and stakeholders; they tell me they don't see evidence of the money flowing to their communities, and I don't see evidence. When will the money get to them, and how will you make that happen?

**The Chair:** You'll be answering that when you clew up, Mr. Minister.

Go ahead, Mr. Kamp.

**Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC):** A very good question it was too.

Thank you, Mr. Chair. Thank you, Minister—and your officials—for coming. We all have questions on this side. I'll lead off, and hopefully we'll get some others as well. I'll try to be brief.

I think there's always been a sense of a disconnect in Atlantic Canada between our policies—for example, our fleet separation and our owner-operator policies—and what actually happens on the ground.

In your comments you referred to an initiative to preserve the independence of the inshore fleet. Can you give us a bit more detail? I think it's been a year or so since you announced that. Can you tell us where we're going with that and how it's being received? Also, can you tell us what you hope to achieve by it, apart from just getting these policy objectives implemented? What are your main goals for it?

As a follow-up question, do you have any intention of seeing a policy like that implemented in the Pacific region?

**Hon. Loyola Hearn:** Thank you very much for the question.

Let me say to you, since you are a west coast member, that we have put a lot of money into fisheries on the west coast, into the health of the oceans in particular, which is of great interest there, but also into the whole initiative of trying to bring together a unified fishery in British Columbia. This has been worked out with all the partners, bringing everybody to the table.

We have had peace on the rivers, we'd say, these last couple of years. We've added a number of habitat people in the region. We have added enforcement officers. The enforcement officers are doing work where they should be doing work, and habitat people are doing work where they should be doing work, and working with the groups, and agencies and councils, etc.

I think the major achievement was bringing the first nations around the table where they became part of what we're doing rather than being excluded. They have made major contributions. Consequently, we've been able to solve a lot of problems in tricky situations, so it is all coming together.

I should also mention Mr. Kamp, my parliamentary secretary, who is representing the west coast and doing a great job, as he is on the committee. If some of you have a concern and you want to talk to the minister or that type of thing or you want to make it political, don't hesitate to run it by Mr. Kamp, because we talk every day, and we can deal with that for the sake of the committee.

In relation to the independence of the inshore fleet, a number of you were around this table with me over the years. We were on the committee. Every time the representatives from the east coast—I'm thinking of people like Earl McCurdy and those—would come to the committee, they would talk about the fact that big business and people with money were starting to control the fishery. They were starting to buy up licences. Instead of the fisherman being able to go out, get his quota, fish it, and benefit from every cent he could derive from it, he was really only fishing, receiving a set wage from somebody who really owned the licence under the table through a trust agreement.

We talked about it a lot. We did nothing about it. We did when we came into power, again, mainly because of stuff we picked up here at the committee. We said we would clean it up. We have brought in a program that will eliminate trust agreements, that will put the licences back into the hands of people who depend on the fishery for a living. It will put the benefits derived from the fishery into the pockets of those who make a living. We've given them a relatively short time to get all of this and put their act in gear, as we would say.



Consequently, the whole initiative is to make sure those who operate in the fishery are the ones who benefit from it. That doesn't mean we're going to try to shove people out and destroy business—not at all—but it does mean that on the harvesting side, the people who will harvest the product will be those who will get the licences and will be operating their boats or businesses.

● (0940)

**Mr. Randy Kamp:** I think I'll pass it over to Mr. Allen.

**Mr. Mike Allen (Tobique—Mactaquac, CPC):** Thank you, Mr. Minister and your staff, for being here.

I just have a couple of questions that I'd like to ask. I don't have any small craft harbours in my riding and I don't have any offshore fishery, but I do have some aquaculture operations, and I do have, in the Saint John River system, a significant interest in the wild Atlantic salmon. I guess I'm trying to reconcile those two positions on aquaculture and the wild Atlantic salmon.

I know that aquaculture, as we've talked about before, represents a significant opportunity for our region. I think it's one that we need to explore. So my first question, is how are we making out on moving forward on some kind of aquaculture agreement and recognizing the importance of that industry? The second thing is, how do we reconcile that with some of the challenges we face with the wild Atlantic salmon and the study that came out this week of linkages to the high mortality rates in salmon, which have also been disputed in some cases as well?

I think my New Brunswick salmon federation would say I'd be remiss if I didn't bring this up, including that and the downstream smolt passage at the Tobique River. I'm more concerned about the reconciliation of the aquaculture, making sure we can move that file ahead in a way that still maintains a possibility of our sport fishery.

**Hon. Loyola Hearn:** Thank you very much for the good questions.

Let me briefly reply to Mr. Kamp. You asked about the west coast, whether we would look at an independent operator operation on the west coast. Again, the west coast fishery is significantly different from the east coast, but undoubtedly there are great commonalities, and over a few years we will do whatever benefits the fishermen themselves. These initiatives are not ones generated in Ottawa; they're ones that came from the people themselves when we worked with them.

The issues you raised, Mike, are extremely important. Aquaculture has become one of the priorities in our department, and I say that from two sides. Number one is trying to alleviate the concerns or verify them, as it might be, and deal with them. But we see aquaculture, not only in Canada but throughout the world, as becoming extremely important as a creator of major employment and putting a major protein product on the shelves, which we can no longer do with the wild fishery because of how we've handled it over the last few years.

We have taken major initiatives, both in relation to the fish we manage inside the 200-mile limit and in dealing with our international partners outside it, to try to concentrate on conservation, which is the bottom line in every decision we make. By

working with them, we are seeing less pressure on the stocks. We are actually seeing growth in a number of our stocks.

The ones that are healthy, we are trying to preserve. The ones that have almost been destroyed, we are trying to rebuild. But in the meantime, we cannot meet the insatiable demand for good, clean fish product. Can we have good, clean, fresh product from aquaculture? Absolutely we can, and we're showing that in a number of areas in our country: New Brunswick leading the way, British Columbia, and now Newfoundland and Labrador coming in.

The recent stories on salmon concentrated probably on two things. One is sea lice. We have had numerous studies done—independent studies, internal studies—and it is difficult to determine whether sea lice is any greater problem around salmon farms than it is anywhere else.

But I think the most concerning thing in one of the studies I read recently is that we are seeing a decline in salmon and trout around areas where there are fish farms. We are seeing a decline in salmon everywhere, to the same degree where there are no fish farms, never were, and never will be. There is something happening in the ocean. It might be migration. We are seeing a lot of our pelagics, in particular, migrating north. The sardines that were abundant off California are now abundant off British Columbia. Our herring that were never seen in Labrador are being seen in Labrador, etc.

But we are not seeing the returns to the rivers. We could predict within a small percentage point how many salmon would come back to any one river, and we would be very close. These last few years we're not even close to that, and there is no explanation except that something is going on from the time the salmon leaves the spawning grounds until it comes back—on the way out, on the way back, or out there.

One of the commonalities throughout the country now—it used to be just off Newfoundland and Labrador—is predation. We always talked about seals. One of my predecessors, John Efford, always talked about seals and the destruction of fish. On my last two trips to British Columbia, the major concern raised by a number of people was predation. That is something we have to look at, and certainly in your own area in the gulf, in particular, it is a major issue. So we have to find out more about what's happening.

● (0945)

**The Chair:** We can take care of that on the way out or on the way back, as we say.

We're going to give three minutes to each party now for a second round. We have about twelve and a half minutes left and we're going to stick to the three minutes as much as possible.

Mr. Matthews.

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

I'd like to welcome the minister and his officials. In the interests of time, I have a couple of very quick questions.

With small craft harbours, when you were on committee and up to today...we've always been concerned that the approvals don't seem to get done quickly enough and we get delayed in work, projects don't get started, and then there's a carryover, and so on.

I'm just wondering if you've really been doing anything to try to get the approval process done faster, so that the work gets done in the season it's supposed to be done in.

Another issue on which I'd like to ask a very quick question is this. I notice in reviewing transfers of quotas between contracting partners of NAFO that in 2007 Canada transferred 500 metric tonnes of 3M redfish, I think it was, to Japan. I'm wondering if you could inform the committee why that took place or what caused that to happen.

**Hon. Loyola Hearn:** Let me take the first one, Mr. Chair, and I'll ask David to answer the second one.

The small craft harbours approval is probably getting worse in the sense that we have more people getting involved now, whether it be the communities or environmental groups. The departments of the environment, health, environmental groups.... everything you do now, you have all these permits you need to get. That doesn't help.

We are trying to speed it up. Within our department we have tried to find out how many divisions would be affected and we've brought them together. We've also built up a close working relationship with like-minded people in other departments. We're trying to do that across government. Whether it's for the approval of a mining project or the creation of a wharf, we're trying to fast-track it. It makes sense.

On the other issue, David might want to answer.

**Mr. David Bevan (Assistant Deputy Minister, Fisheries and Aquaculture Management, Department of Fisheries and Oceans):** Obviously, just like Canadian companies, Canada wants to make the best use of the available quotas that are provided under the NAFO process. In some cases, that means that where we have fish that we can't fish effectively or economically we'll trade that fish and get an exchange, for example in this case, redfish for shrimp.

It's just a business process supported by the Canadian delegation and by the businesses involved in fishing our NAFO quotas. A decision was made to maximize the returns by making a trade with Japan of redfish for shrimp.

• (0950)

**The Chair:** You have 30 seconds.

**Mr. Bill Matthews:** For further clarification, are you saying there would be no Canadian interest in harvesting that 3M redfish, but instead they'd catch the shrimp? I guess shrimp would probably have a higher value than redfish. So was there an exchange of a lower amount of shrimp, let's say, for the 500 metric tonnes of redfish? Is that what you're telling me?

**Mr. David Bevan:** Yes, that's what I'm saying.

**Mr. Bill Matthews:** There's nobody to catch it? No one would want to catch it? Have there been Canadian efforts?

**Mr. David Bevan:** On the Flemish Cap there was no great interest in catching the redfish, given the size, the cost, and so on.

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

Mr. Lévesque, three minutes.

[Translation]

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Good morning, Minister, ladies and gentlemen.

I contacted you last year, I believe, concerning the beluga quotas granted to various villages in Hudson Bay and Ungava Bay, as well as the calculation of those quotas. You informed me at the time that you would be prepared to meet with those people, and I passed the message on to them, and I believe you did meet with them. Ms. Dansereau has previously had occasion to meet with those people, and she is familiar with their demands.

The village of Akulivik, for example, is at the point between Ungava Bay and Hudson Bay, and the belugas pass nearby. The people of that village fish very close to villages further to the south, but the landing quotas for the southern villages are included in those of the village on the point. This has become a problem.

Furthermore, I believe you asked people from Nunavik to monitor the beluga populations. However, when they filed their reports, departmental people were still supposed to come and check to see that they were accurate. However, when the departmental people appeared, the number of belugas had already been exceeded, which had the effect of reducing the quota opportunities for the people on the coasts. I believe you've discussed that. In any case, I hope that a solution has been proposed in that regard.

At the other end of my area, in the northern Gulf of St. Lawrence, cod quantities are a problem. Last year, the cod quota was 2,000 tonnes, I believe. We're familiar with the problems prevailing in that area. Will a minimum be set in 2008, to enable North Shore fishermen and businesses to survive?

[English]

**Hon. Loyola Hearn:** Thank you very much. *Merci, Monsieur Lévesque.*

In relation to the question on the beluga, I met with a group of Inuit people from the north on this very issue. They raised the exact same questions and made the same points as you have made, and I believe very accurately. They said that when the people doing the surveys would come into the area, the beluga whales would be somewhere else and they would never get an accurate count.

One of the people there was in his seventies. He had been there. He knew what was going on. He knew the history of the movements of the beluga. What we agreed to do, and are doing, is when we're determining the biomass in relation to the allocations being given, we will not go in any more on our own to do the count. We will contact people, like the elders, in the different areas and get them to work with us, to make sure we understand the migration pattern. Whatever answer we reached would be agreed on collectively. That's in the process. Hopefully, it will solve some of the problems.

In relation to—

**The Chair:** On the other issue, Mr. Minister, you'll have to put it in your end remarks, because you don't have time right now.

Ms. Bell.

**Ms. Catherine Bell:** Thank you. I hope he doesn't take it out of my time.

I want to thank my colleague Mr. Allen for his question on aquaculture. It's another issue for the riding. We absolutely recognize that it provides good paying jobs for our small remote communities up the coast that need them. I'm glad to hear you're working with them.

The other part is the sea lice studies, which have been done over many years, that are giving proof that there is a problem. But as you recognize, there are a lot of other constraints on our salmon, with global warming, climate change. We recognize that something is happening in the ocean. There are industrial, commercial, and residential developments that are causing a loss of small river habitat. There's logging in watersheds that is changing what's happening in creeks. There are a whole lot of pressures on our wild fish.

You said you've added enforcement and habitat restoration people. I would like to know how many and where. Again, the question I get when I'm home is, "Where are these people? We're stressed to the max. We need help. There's not enough money, so anything you can do to help us build that up would be really appreciated."

The other thing they're saying is that because of these constraints and because they're losing fish.... You mentioned yourself that stocks are down. Do you think it's important that we be do more? I'm wondering whether there will be more in the upcoming budget for this type of work.

• (0955)

**Hon. Loyola Hearn:** Thank you very much. They're great questions.

Number one, I believe we added 12 habitat officers and 22 enforcement officers—and somebody can correct me on this—this past year in the British Columbia area alone, which will be a great help.

But we can add as many enforcement or habitat officers as we like, and it's the same way with money. We always talk about more money. It is not always about more money. Again, going back to Mr. MacAulay's comment earlier, it's what you do with the money you have. We use money as an excuse sometimes for not doing things working together.

Governments, meaning the pockets of the average taxpayer, should not be paying for things that are caused by people who have money. To clean up the environment, to make safe fishing areas, we need more than fisheries officers, or fishermen, or community. We need industry. We need all of the players working together. I think people are waking up; I really do. I'm seeing a major change in attitude. I think it's time to build on it.

We need coordination of leadership.

**The Chair:** Excuse me, Mr. Minister. It's what you do with the time you have that's important here this morning.

Mr. Keddy, three minutes.

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** Thank you, Mr. Chairman.

Thank you, Minister, for being with us this morning. Mr. Byrne had mentioned that you were a long-time member of this committee, so welcome back here.

I have one comment and two questions, and I'll ask them in that order.

The first comment is to thank you for your position on sealing and the work and cooperation of your department. I think for the first time in a long time we've had a beneficial and proactive relationship with the ministry on sealing and in pushing Canada's interests around the world—but especially in Europe. So we appreciate that. Thank you for that. It's a difficult and sensitive subject, but it's one where we're on the right side.

The second question is about boat length. You've mentioned, and I've heard you say many times, that the length of the vessel really shouldn't matter. Often that vessel length is about safety, but at the same time, sometimes the bureaucracy in DFO tends to allow divisions and jealousies between the fleets to govern boat length.

We have a number of instances in my riding where we've asked people to move to become multi-species licence holders. You have a person with an LFA 34 or LFA 33 lobster licence who would require a boat that is 44 feet, 11 inches, or a 50-foot boat today, and because their groundfish licence was originally on a boat that was 34 feet 11 inches, they can't put their groundfish licence on that 50-footer; therefore, they require two boats, and, effectively, we're preventing them from making a safe living because they can't move to that 50-footer. It's a real problem, and one that's not going away.

The other question is about your fleet separation and owner-operator policy, which has a different effect in southwestern Nova Scotia—where you have an independent fishery—than the rest of the country. And we still haven't dealt with the problem that the big players, who have thousands of tonnes of quota, continue quite often to sell that quota to the small guys, the small boat fishermen, and then we end up with a situation where you have small processors who can't vertically integrate with one or two or three trusts, and who use those trusts to guarantee their supply but are now in a situation where they have to get rid of them. I know that's a difficult issue, and it's one you've been wrestling with.

• (1000)

**Hon. Loyola Hearn:** Very quickly on that, Mr. Chair, first of all

**The Chair:** Mathematically speaking, Mr. Minister, three minutes is three minutes, and the three-minute question posed means there's zero time for you to answer.

I'm going to give the minister five minutes now to clew up some remarks. On behalf of the department, thank you for your presence here this morning.

I'm sorry for being so regimented, but I have no choice.

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

If the committee would like me to come back and we can work something out, I will come back whenever we can find time. I enjoy it here.

Let me answer some of the questions and deal with some of the points that were skipped in my five minutes.

To Mr. Keddy, let me say that the bureaucracy doesn't run the Department of Fisheries and Oceans. I do. If I am the one who gets the limelight and the credit, I am also the one who takes the blame if something is not done. I have a great team that works with me. Collectively, we try to do what has to be done. I challenge anybody to compare what was done in previous years with the initiatives that our group has had the guts to do. We have done things nobody else would do. Does everybody like what we're doing? Maybe not. Have we made headway and have we helped people? Yes, we have.

As to boat length in your area, that's great when we're talking about certain fisheries, where the length of the boat doesn't affect your competitiveness with your fellow man. But in fixed fisheries, lobster being one, there is no quota. Whoever has the biggest boat, the fastest boat, can go out in bad weather and carry more pots. This puts some people at a disadvantage. Therein lies the problem. But I realize what you're saying. Safety is also an issue. These things have to be looked at, but in a way that's fair to everybody.

As to the cod for the north shore of Quebec and the northern areas, it depends. The bottom line for all of us has to be conservation. When I saw first nations people, this past summer, not even accepting their social and ceremonial fish because of conservation, that really made a statement. We've come a long way. We have to be conscious of that. But will we allocate fairly and will we provide what we can? Absolutely.

I am disappointed that we didn't talk more about ice and sealing. We have an expert on ice here this morning, Mr. Dryden, and I wish he had been able to get involved. He probably handled himself better on ice than any of us or the sealers.

We're trying to create an economically viable, sustainable fishery. If we don't conserve what we have, we're not going anywhere. We have to protect what we have. We have to enhance it. And we can. You see the yellowtail coming back. You see American plaice coming back to the point where we almost have to open up a fishery because of the amount of bycatch. You see cod affecting turbot catch. Do we have a future in the fishery? Absolutely.

Do we have a lot of challenges? Absolutely. It's no good complaining and using excuses. We tried to do what we could, to bring as many people to the table as possible. It's amazing, when you

put all the people involved around the table, all of them have a part to play.

So, Mr. Chair, we were pleased to be here. I want to say *merci, mes amis du Québec*. I want to thank all of you for your support.

This is a great department—I wouldn't change it for the world. But there could be an election tomorrow, the next day, next month, next year. We don't know. The scary thing is, one of you might be here next time you're having a meeting. So I wish you all luck.

Thank you.

• (1005)

**The Chair:** Minister, thank you for your presence here this morning, with your staff. A couple of times you've referred to me as Mr. Speaker. I know I speak two official languages, but they're not necessarily Canada's official languages.

We reserve the right to call you back some time again. Thank you.

We're going to take a five-minute break now to prepare for our next witnesses.

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\_\_\_\_\_ (Pause) \_\_\_\_\_

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• (1010)

**The Chair:** Welcome back, members.

I'd like to welcome Mr. Allan Gaudry, interim chair of the Manitoba Commercial Inland Fishers Federation.

Welcome, Mr. Gaudry.

The process here, as you've just witnessed, is that we'll give you some time for opening remarks and then we'll open the floor for questions.

Without any further ado, I give you the opportunity to enlighten the committee on what you're involved with and the concerns you have.

**Mr. Allan Gaudry (Interim Chair, Manitoba Commercial Inland Fishers Federation):** Good morning, Mr. Chair and committee members.

I'm Allan Gaudry and I'm the interim chairman of the Manitoba Commercial Inland Fishers Federation. I would like to thank you for the opportunity to make this presentation on behalf of the federation.

In April 2005, the Manitoba Commercial Inland Fishers Federation was formed as a result of discussions between the Southern Chiefs' Organization and the fishers of Manitoba. MCIFF is composed of a chairman and 12 directors representing 12 regions in the province of Manitoba. The organization represents approximately 2,275 fishers and helpers in the province.

According to the 2006 census, 75% of fishers in the province of Manitoba are aboriginal. With the assistance of government and political organizations, the board of directors sets attainable goals and objectives that will assist aboriginal communities in the long-term sustainable initiatives for the fishery.

Proposed changes in government programs and services, as they relate to the fisheries, are a concern for all fishers in Manitoba. There is a lack of recognition of the role aboriginal fishers play in the fisheries sector. Fisheries regulations are currently being proposed by the provincial government without the full and equal participation of aboriginal fishers and their unique, traditional knowledge.

The fishermen face many challenges that have an adverse effect on their economy. Committees have been formed and have held open forums to gather information so that the public can voice their issues and concerns. To date there has been very little consultation with the traditional users and the fishers. The fishermen of Manitoba realized they needed a strong voice to have their concerns and issues heard and dealt with federally and provincially.

Issues that have been brought to the MCIFF by our members are touched upon in this presentation and are in no order of priority.

First, the watersheds span a large geographical area, from 500 miles south of Lake Winnipeg to 1,000 miles west to the Rocky Mountains. All of these waterways drain toward Manitoba. In Manitoba the rivers and lakes are filled to capacity when the spring runoff and heavy rainfall occurs, causing damage to our harbours. The cause of this problem is the rural municipalities in these regions, which have been enhancing drainage to such an extent that fields are dry after spring runoff in days when it used to take weeks.

Farmers in the rural municipalities have a tremendous amount of authority to drain their farmlands for production of crops or hay land. This practice needs to be reviewed. The agriculture industry needs to be held accountable for damages. With this type of drainage there is cause for other concerns such as water quality. Without the natural filtration, the chemicals and phosphorous farmers use on the fields end up in the rivers and lakes, having an effect on spawning areas.

As the fish spawn during the time when the drainage is filled, we see after a few days, as the water dries up, the fish are caught upstream. They have no means of returning to the lake and are killed off along with future stocks. There needs to be a gradual drainage instead of a fast-moving drainage. However, farmers get upset if they see water lying in their fields for more than five days.

Harbours in Manitoba have come a long way in the last few years and have improved since commercial fishing harbours have been formed with local control and partnerships with small craft harbours. There is a need for continued support for these structures in addition to maintenance and expansion of new structures in other communities.

There is a need for harbours in rescue situations to launch large boats. The small fishing communities cannot afford to expand their harbours or repair the existing structures, which become derelict and hazardous.

The fishing industry is in a crisis situation with low fish prices, and the fishers are limited to what they can contribute, if anything, during this crisis. Collecting fees from tourists is a challenge.

These issues must be looked at not only for community needs but also for safety concerns. We need to be able to enter safe harbours during windstorms. Places such as Princess Harbour and Lynx Harbour are ideal for pulling into and need to be upgraded. Many

harbours have silted up over the years, and dredging programs are needed to improve them. Boats coming in are running aground and reef because of this problem.

Many rivers need dredging at the mouth, again, for access by boats. This is another safety issue.

•(1015)

The mouth of the Red River is a major concern in the spring. Since the province has been working on a floodway expansion, this causes major flooding in the Selkirk area.

Dauphin River Harbour has a similar problem in the fall and early winter, with frazil ice buildup causing damage to their harbours and flooding on Highway 513, the only access to the community and the first nation. The Waterhen River is another river affecting communities during spring breakup and freeze-up, with frazil ice buildup causing damage to their harbours.

The final issue of contention is the government's involvement in water flows to the Portage Diversion and the Fairford Dam. The loss of spawning areas and the loss of fish stocks and fish habitat are due to the untimely opening and closing of these structures. They impede the migration of fish. That's always been an issue. It's been brought forward to the department so many times; I'm touching on it today again.

These concerns, including other issues, are being brought to our attention on a regular basis. That is what the fishermen of Manitoba are faced with.

We thank you for this time.

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

We'll open the floor for questions from Mr. MacAulay.

**Hon. Lawrence MacAulay:** Thank you very much, Mr. Chairman.

Welcome. You've indicated that there are over 2,000 people involved in the fishery, and about three-quarters of them are first nations. Is that correct?

**Mr. Allan Gaudry:** Yes.

**Hon. Lawrence MacAulay:** You mentioned something about rules that are going to be put in place. I'd like you to elaborate a little more on the rules and the rule problem you have, both federal and provincial. Not that we can do much about the provincial rules, but we'd like to have an overview of the problems with the new rules.

**Mr. Allan Gaudry:** You mean the rules and regulations?

**Hon. Lawrence MacAulay:** Yes. You indicated that there was a problem with rules that are being put in place. I'd just like you to elaborate on the rules and the problems you're having with the new rules.

**Mr. Allan Gaudry:** Well, the regulations in Manitoba are under the management of the province. The federal government is not part of the management of the fishery. It's the province. So the rules and regulations come from the province.

The problem we have is the lack of communication and consultation with the stakeholders. Hopefully there are some changes coming. Hopefully there'll be what they call a resource management board. With that resource management board, hopefully, the province, the stakeholders, and the marketing side will all be on one committee and will come up with regulations for sustainable development of the fishery.

There are changes coming. We haven't seen them yet, but hopefully they'll be implemented in the next—

• (1020)

**Hon. Lawrence MacAulay:** Do you have enough input into what's taking place, the rules that are being put in place?

**Mr. Allan Gaudry:** Since we've been organizing in the last three years, we've finally seen some changes.

**Hon. Lawrence MacAulay:** You indicated the watersheds and farmland drainage and the problem with fish kill. Those are problems in a lot of different places. I'd just like you to elaborate for the committee about what you think should be done in those situations. Where is the problem? What do you or your committee think should be done?

If I understood you correctly, you're telling the committee—you didn't say it, but I'm asking you—that the drainage of the farmland is causing some fish kill.

**Mr. Allan Gaudry:** The draining of farmland is happening so quickly now. During the spring runoffs, the fish travel up those waterways. They're not natural drains; they're drains built by municipalities.

**Hon. Lawrence MacAulay:** Is it killing the fish?

**Mr. Allan Gaudry:** It is killing the fish. As these drains go up inland, they end up in these marshes. When the drainage stops, the fish get caught in those areas. When the fish get caught in those areas, there's no way of coming back to the lakes, because the water's run out.

The water's running so fast now. We need to gradually drain by putting in structures that'll slow the process so you'll at least have a drain that lasts four weeks. That will at least allow the fish to spawn and get their stock back into the lakes. The way these drains are built today they're very high-tech and fast-moving and they allow water to be moved in days. And this is causing a concern for us.

**Hon. Lawrence MacAulay:** What should be put in place? Should a system be put in place that allows gradual drainage?

**Mr. Allan Gaudry:** Yes, there should be some sort of structure that allows the flow to be slowed. You have to slow it down to a point where drainage is gradual, not fast-moving like the systems we see now. At that point, you will see a difference in the fish habitat and the stocks as they manage to spawn and manage to come back to the lakes.

Those are some of the issues that were brought to our attention. When you put rock formations in the bottom of the drains and build

them up, that slows some of the water. I've seen them built in some of the rivers. They've done a tremendous job in slowing the velocity of the water, and that allows fish to migrate. With these fast-flowing drains, there's such a velocity of water coming through that some fish can't make it to the point where they want to spawn. So you have to slow down the drainage with the rock formations.

**Hon. Lawrence MacAulay:** So on the new drains that you're recommending or some of the drains that you say are done properly, does that take some...? I'm just wondering. There would be fertilizers and ingredients coming out of the soil. If the proper drainage were put in place, would that be a way of stopping that from getting into the water? I expect you're telling me that this is killing the fish.

**Mr. Allan Gaudry:** We're not saying it's the chemicals that are killing the fish. It's the fish being trapped, not making it back over. But if you have some kind of structure that slows the flow, as these chemicals are flowing through, it also meets the obstruction, and it stops there, and it helps the filtration. We need some kind of regulation to slow down the process of the fast-moving drainage systems that are being built without concern for the fishery. That's a big, huge concern for us.

**Hon. Lawrence MacAulay:** You also mentioned emergencies, and I think you mentioned a dual problem: wharves or harbours in particular and then areas that you need for emergency situations. I'd like you to just elaborate, please.

**Mr. Allan Gaudry:** It seems as though the wind storms today pick up in a matter of hours. You're out there fishing and all of a sudden you see the storm come over. They're more severe than we've seen in the past. Where do you head for shore? It's to harbours. We need harbours. Maybe there are other communities that could use them. There are challenges there to build new ones. The funding is a challenge. Harbours are also in need of repair, so there are all these challenges we face in our harbours—the maintenance, the upkeep, making sure they're still usable—and who comes with the dollars to do the repairs? Those are the questions. We have challenges in finding the funding to maintain these structures. There's a need for them. There are also the safety issues surrounding these storms.

• (1025)

**Hon. Lawrence MacAulay:** I'd like you to elaborate on the dredging. Is there proper dredging? When you have a storm, that becomes a much bigger problem.

**Mr. Allan Gaudry:** When you have a storm, you have higher volumes of water flowing, higher velocities coming through the drainage, coming through your river systems, heading through your lakes. That causes erosion. These storms cause erosion on the embankments, and then you have debris floating in the lakes and it gets caught in our equipment. It destroys our equipment.

So we have a lot of concerns when you have such a velocity of water coming in. The velocity of the water is so high to the extent that it is causing damage. We're looking at the industry that is predominantly the cause of this, and it is the agricultural industry. We look at them and say they're lobbying; they're working to have their land cleared and their land drained. But they're also having an effect on other industries. When will they be accountable and take some steps to fix the problem?

**Hon. Lawrence MacAulay:** But you also indicated, I believe, if I heard you correctly, that this large flow of water causes problems even for some communities.

**Mr. Allan Gaudry:** During the winter, the flows don't slow down. During the winter, all of a sudden you still have the high velocity of flows—

**Hon. Lawrence MacAulay:** What I'd like you to speak about is whether this could provide an ally for you, regarding the community problem you have. I'd like you to go that way.

**Mr. Allan Gaudry:** That's where the community problems come up, because the frazil ice builds up, and when the frazil ice builds up and it plugs your river at the mouth of the lake, then your river backs up and floods your community and your roads. Then access to your communities is basically shut off. There have been some emergency situations where this has happened in the last few years in Manitoba.

**Hon. Lawrence MacAulay:** But does that not upset the community, and would it not make the community want to see more changes in the situation? What I'm trying to get at is, wouldn't that give you more allies to deal with the problem you're talking about?

**Mr. Allan Gaudry:** To deal with the problem, yes, it would. And it seems as though the message is starting to get to the province, because the province is already involved. Federally, DFO in our region is more about habitat, according to their management there. It has nothing to do with the management of the fishery; it's habitat. So those are challenges.

**Hon. Lawrence MacAulay:** Is there anything else you'd want to elaborate on? On the overall problem, do you feel you're gaining ground, or do you feel that with the committee you've formed...? What I'm trying to get at is whether you are getting more allies to deal with your problem of this water flow. I just wonder, because when you have this problem, I can't see the communities not being desperately concerned about what takes place too, because it's causing trouble for them, is it not?

**Mr. Allan Gaudry:** It's causing problems for them, yes.

**Hon. Lawrence MacAulay:** Would they not support you? In order to help them, they also have to help you. That's what I'm getting at.

**Mr. Allan Gaudry:** Yes.

Where the problem starts is within the agriculture industry. There's a lot more—

**Hon. Lawrence MacAulay:** They don't want to take on agriculture, is that it?

**Mr. Allan Gaudry:** No. That's such a huge industry. They're getting political points scored there. How do you get your message

across to them? They're a way bigger industry than we are. In the rural municipalities the farmers rule.

**Hon. Lawrence MacAulay:** Being a farmer, I can't really recommend that you should take them on either.

**Mr. Allan Gaudry:** No. It's a huge industry, and we're just the small guys on the outside here. We're trying to see how we can work something out in getting some support to maintain our harbours, maintain our industry, and support it, but it's very difficult. It is difficult because, politically, the farmers rule.

**Hon. Lawrence MacAulay:** Thank you very much, and good luck.

**The Chair:** Thank you, Mr. MacAulay and Mr. Gaudry.

Mr. Lévesque, please, for seven minutes.

[*Translation*]

**Mr. Yvon Lévesque:** Thank you, Mr. Chairman.

I'm feeling a bit aggressive this morning. This is my second partner in about half an hour. I'm afraid I might seem like an unbearable person.

Can you hear the interpretation, Mr. Gaudry?

• (1030)

[*English*]

**Mr. Allan Gaudry:** Yes, I can.

[*Translation*]

**Mr. Yvon Lévesque:** I know very little about that region. Please pardon me for that. The place closest to Winnipeg that I've visited is Kenora. I've done a cruise on the Red River, but I don't know Lake Winnipeg very well.

I'd like to know whether the Manitoba Commercial Inland Fisheries Federation only represents members of the First Nations or whether it's a mixed federation. Does it consist of white and Aboriginal people? I hate using the words "white" and "Aboriginal", because you're as white as I am. If the federation is Aboriginal only, how many Aboriginal villages do you represent around Lake Winnipeg, in Manitoba?

[*English*]

**Mr. Allan Gaudry:** Our organization represents all fishermen in the province, so it's first nations, Métis, and non-aboriginal communities. We have representation on our board of directors who are first nation, Métis, and non-aboriginal, and we deal with all issues concerning the fishery.

As far as how many Métis or first nations communities there are, we are the majority. To give you a number of how many communities, it's huge. The only economy we have is the fishery in our communities. We don't have any other economy. There are no other jobs that we can turn to. That's the only economy we have, and it's very frustrating to see some of the challenges and the effects they're having on our fishery, and we are concerned.

How do we deal with these issues? We're hoping we'll get some support, whether or not it's through program funding. We could administer the programs. And if the FFMC, the Freshwater Fish Marketing Corporation, had a check-off and there was one cent a pound of production that would count towards the federation to deal with these issues, then we'd have the capacity to meet one on one and deal with the concerns. But funding the federation, funding the fishers' organization here to represent them, is a challenge also. FFMC said it could be legally challenging because some fishermen might not say they want a check-off of a cent a pound for production for support. Is it voluntary? Is it mandatory? Those are the issues we have to look at.

I believe there is a need for this organization and there's need for support for it. But how do we get continued funding to manage the fishery, to be involved in the management? We want to be involved in the management, not just to say, here are the regulations and this is what you have to live with. We should be able to come up with a compromise and say, we'll live together in harmony, but we'll also be a part of the decision-making.

That's why this federation was formed. Hopefully we'll get to that point in the future and hopefully we will see some results. That's our goal.

[Translation]

**Mr. Yvon Lévesque:** What percentage of Manitoba fishermen does your federation represent?

[English]

**Mr. Allan Gaudry:** What percentage? We are the organization that represents all the fishers in the province.

We also have associations that deal with the lakes. There is a role for the small associations to play. Their role is to deal with their quota and the season dates on their fishing. There are so many different associations: the Lake Winnipeg advisory board, the Lake Manitoba Commercial Fishermen's Association, Lake Winnipegosis, the three major lakes, plus the northern fishery. All of them have a role to play, but none of them were at one table at one time, dealing with the whole big picture of the fishery, until this federation was formed.

Now, at least, when we meet, we discuss the issues that concern the fisheries across the province, and we're representing all fishers. If there are the odd ones who aren't very supportive....

I'm sure, as they say, there are going to be some who are not supportive of the fishers federation. But I believe we're the majority, and like any organization, probably 80% to 90% of fishers support our federation.

• (1035)

[Translation]

**Mr. Yvon Lévesque:** You said you represent most fishermen. Are you therefore the only recognized stakeholder when it comes to discussing fisheries problems with the Government of Manitoba? As a federation, you no doubt have a charter. Does the fact that you represent other associations in talks with the government give you the right to charge those associations membership dues?

[English]

**Mr. Allan Gaudry:** Yes, there is a charter, and there is also a membership fee to join the organization. The membership fee was set at \$25. That was initially to get it started.

The challenge is to get all the stakeholders to contribute. They're in remote areas, remote communities in the north. They're also in the other lakes. They're not in the loop to be able to contribute. The mechanism to contribute is not there where the fishers can say, "Well, here's my annual \$25."

The only way we could see this happening is if there was a check-off by production, and then everybody would be in. We brought this issue to FFMC to ask if they would administer it, collect it, and forward the funding to us after the collection had been done. That way, it would represent all the stakeholders.

But it has been a challenge as to how to get all members to contribute their \$25, because there is such a large area and there are remote communities involved. For us, it has been a challenge.

When we go to the meetings, we have a good representation of members, but there is the challenge of trying to get everybody to contribute some kind of fee so that we can say legitimately that we are an organization supported by our members. That's the challenge we're still facing. We're only three years old, so it's in the works.

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

Ms. Bell, you have five minutes.

**Ms. Catherine Bell:** Thank you, Mr. Chair, and thank you, Mr. Gaudry, for your opening comments.

I don't know a lot about the Manitoba fishery. I'm from the west coast, so it was an interesting opening comment to hear about the problems.

I want to congratulate the Manitoba fishermen for coming together to build a stronger voice to have your concerns heard. I think that's really important and something that I hope the government pays attention to. I understand it's not without its challenges within the organization, and I know you're going to work those out, and it does take time.

Have you had any intervention with the Department of Indian and Northern Affairs, or with DFO or the Department of Agriculture, to work together to solve some of these problems you're facing? With the understanding that there is a large component of first nations—it is your only economy, and it's important because of the problems for first nations economies across the country—has there been any work to get them to work together to help solve the problem of the drainage issue?

**Mr. Allan Gaudry:** There is nobody from the agriculture committee on the resource management board. It's only the representatives of water stewardship, marketing, the FFMC, and stakeholders. There is nobody from agriculture on that committee.



I would imagine that would cause some friction with the agriculture industry, especially when it comes to these issues. If they were at the table, maybe we could iron out some of the issues and some of the concerns.

**Ms. Catherine Bell:** Just from listening to what you said, and maybe I'm completely wrong, but fish don't naturally go up these drainage canals.

**Mr. Allan Gaudry:** No, they were built, so that was not their natural—

**Ms. Catherine Bell:** They were built, so that would be something foreign.

So would it be better to put some kind of a barrier on those canals so the fish can't get up them?

**Mr. Allan Gaudry:** Well, you can't just close off that drainage, but you can slow it down by having a barrier for a couple of feet or two feet just to slow the process down, and have some trickle of water coming through for months, and not have it flow in a few days or weeks and then shut it down because all the water has drained off the land.

**Ms. Catherine Bell:** The other scenario I pictured in my mind was some kind of a holding pond, with the drainage going into a pond that would slowly drain into the lakes and rivers, instead of coming out in such a big rush.

• (1040)

**Mr. Allan Gaudry:** Yes, there are locations where there are some large marshes, which could absorb some of that water as it drains and allow the natural spawning to take place and everything else.

I'm sure it could be worked out. It could be worked out.

**Ms. Catherine Bell:** But it would take the cooperation of the agriculture people—

**Mr. Allan Gaudry:** Yes, it would take cooperation.

**Ms. Catherine Bell:** And at this point they are not interested. Is that your understanding?

**Mr. Allan Gaudry:** Not at this point, no.

**Ms. Catherine Bell:** Okay.

How much money is generated from fishing in Manitoba?

**Mr. Allan Gaudry:** Our sales are probably about \$50 million annually.

**Ms. Catherine Bell:** So it's not insignificant?

**Mr. Allan Gaudry:** No.

**Ms. Catherine Bell:** I think that's maybe part of your campaign, to raise this issue with the other departments and other organizations, that you are a significant piece of the economy that's being impacted negatively. I just wonder if you've had any opportunity to take that on, because sometimes money talks.

**Mr. Allan Gaudry:** I like that term, yes.

Again, we are hoping to have an impact, and I hope changes are going to happen. I hope we'll see them in the next few years as this organization grows.

We need support. We're not a small part of the economy that doesn't matter; we are a part of it, and we want to be recognized for our efforts.

**Ms. Catherine Bell:** How much time do I have?

**The Chair:** Thirty seconds, Ms. Bell.

**Ms. Catherine Bell:** We've talked about this federally, but has there been any work with the provincial government, the agriculture or fisheries departments provincially, to get them on board?

**Mr. Allan Gaudry:** No, not that I know of.

**Ms. Catherine Bell:** That's unfortunate.

**Mr. Allan Gaudry:** Yes, it is.

**Ms. Catherine Bell:** I think I'm done.

**The Chair:** Thank you, Ms. Bell.

Mr. Calkins, for 10 minutes, please.

**Mr. Blaine Calkins (Wetaskiwin, CPC):** Thank you, Mr. Chair.

I certainly appreciate having the witness here.

Just to let you know, Mr. Gaudry, I am the only prairie member of Parliament on this committee. I certainly take the freshwater fishery very seriously, and I appreciate your interventions here.

You are here, of course, as part of the study we're doing on small craft harbours, so I'll start my questions with some specific issues. I know you've touched on a lot of things governing habitat and governing some agriculture, and I might get to some of those questions after I am done with the small craft harbours.

According to DFO, there are 41 fishing harbours in Manitoba, and I think there are 12 that are considered recreational harbours. Of those harbours, how many actually exist on first nations reserve lands?

**Mr. Allan Gaudry:** The majority of them.

I don't have the exact numbers. The ones I mentioned were all first nations harbours: the Lynx River Harbour and Dauphin River Harbour—and there are many more, of course. I don't have the number on how many are first nations ones.

Right away, when it's on a first nation's land, the province says it's federal jurisdiction and why should they fund it? We have those challenges all the time, and we're trying to form a partnership to say that if we're going to contribute one-third and the province one-third and the federal government one-third, then we can look at the infrastructure and maintain it. But when the provinces say it's not their jurisdiction, then what happens? We're missing some partnerships, and there is a challenge there, because these harbours are on first nations lands.

**Mr. Blaine Calkins:** A lot of the harbours are the only access routes to some of these first nations.

**Mr. Allan Gaudry:** Some first nations are so remote that transportation via the harbours is the only way in, in the summer.

**Mr. Blaine Calkins:** So these are more than just a place to land fish; they are also a port of entry and a port of exit.

**Mr. Allan Gaudry:** It's our port of entry and exit in the summer months, yes.

**Mr. Blaine Calkins:** I'm assuming you're a fisherman.

**Mr. Allan Gaudry:** Yes.

**Mr. Blaine Calkins:** How would you describe your relationship with DFO? Do you find DFO to be very responsive and helpful insofar as they can be?

**Mr. Allan Gaudry:** I have to say I have a lot of respect for DFO.

There was a situation about seven years ago; they wanted to increase the drainage in Lake Manitoba. If it wasn't for DFO and the commercial fishermen's association interfering, the province would have gone ahead and increased velocities. DFO played a role at that time, and I appreciate that support at that time. They managed to put a stop to that practice—but I'm sure the province still has that in their mind; they are concerned with lake levels and increasing velocities through that system.

The Fairford Dam has always been an issue. We've talked to DFO about allowing the migration of fish through that structure. Hopefully we'll have a proposal in DFO's hands and we'll get funding to continue the process of allowing those fish to migrate. Obstruction of migration is also a DFO issue; they'll deal with that.

•(1045)

**Mr. Blaine Calkins:** Getting back to the harbours, how many of the harbours in Manitoba would you say need significant funding or significant investment?

**Mr. Allan Gaudry:** I'd say half of them would need some significant investment. The other ones.... Some of the damage was caused during flooding. In our first nations communities we don't have the Cadillac versions that we have in Gimli Harbour. A few planks and poles and gravel—that's all it needs for upkeep and maintenance. It's not a big budget, but there is some need there for continued maintenance of the structures. There is a need.

**Mr. Blaine Calkins:** All right.

I'll move on to some of the other stuff you've identified.

Obviously you're concerned about the rainfall and the runoff. Of course, Agriculture Canada has programs: in Alberta, for example, we have the environmental farm plans; in Manitoba there is the Canada-Manitoba environmental farm plan program, and there is also the Manitoba Habitat Heritage Corporation.

Has your organization made representation to those organizations yet?

**Mr. Allan Gaudry:** I've never heard of them.

**Mr. Blaine Calkins:** I would certainly encourage you to talk to them, because I think the whole goal of these organizations is to do the right thing. Certainly when it comes to agricultural drainage, we want to make the cropland viable as well. You can understand where the farmer is coming from on that particular perspective.

**Mr. Allan Gaudry:** I understand.

**Mr. Blaine Calkins:** I certainly would encourage you to at least examine the option of letting those organizations know.

**Mr. Allan Gaudry:** What are they called?

**Mr. Blaine Calkins:** There's the Manitoba Habitat Heritage Corporation. There's also the Canada-Manitoba environmental farm plan program. I'm not going to presume anything, but you might want to have your organization at least find out what those organizations are doing in terms of some of the concerns you have with drainage.

**Mr. Allan Gaudry:** Yes.

**Mr. Blaine Calkins:** We'll move on to another issue. I know we're still dealing with small craft harbours, but you brought it up; it's the Freshwater Fish Marketing Corporation under the Freshwater Fish Marketing Act. I've heard some concerns from freshwater fishers about marketing. I know there are some concerns about mullet and certain species that certain fishers want to have outside the purview of the board or the single desk.

Does your organization have a particular stand on any of the species or on any of the ways that the marketing board is currently...?

**Mr. Allan Gaudry:** We have a lot of issues with the marketing operation. We all know the pickerel is the fish with the highest value, and that's the priority of the Freshwater Fish Marketing Corporation. They want the pickerel in the volumes that it can come in.

Those times also impede the other species that are of low value and not a high priority to them, so they are not harvested and processed because of that.

There's a need for dual marketing in those species. At those times when the Freshwater Fish Marketing Corporation would not give those fish priority, well, give somebody else the opportunity to process and market that fish. Mullet is one of them, along with carp and yellow perch.

**Mr. Blaine Calkins:** Are you saying you want to leave the pickerel inside the purview of the board?

**Mr. Allan Gaudry:** Oh, yes. The pickerel is fine.

**Mr. Blaine Calkins:** Take out the other species of lower value or lower priority?

**Mr. Allan Gaudry:** Yes, I think there's a need for dual marketing of those other species.

**Mr. Blaine Calkins:** From a value-added perspective?

**Mr. Allan Gaudry:** It adds value and it also creates jobs in our communities. If we bring the processing back into our community, that creates a few jobs. It doesn't make sense to be a big, centralized processing plant in the big city of Winnipeg, when there could be other opportunities for processing in small communities, where fish could be dropped off from a large region. You can't have a fish processing plant in every community, but in a region I think there is a need for them.

•(1050)

**Mr. Blaine Calkins:** So the way it works, even fish caught in Alberta and Saskatchewan have to go to...

**Mr. Allan Gaudry:** Herring goes to the centralized plant in Transcona.

**Mr. Blaine Calkins:** So if you wanted to catch some fish, clean them, smoke them, or whatever, locally, adding jobs and adding value, you couldn't do it right now.

**Mr. Allan Gaudry:** It's not possible on the marketing end of it, because of the volume we need to produce. As soon as you have that single-desk mandate, you're not allowed to operate unless you have an export permit. The export permit is available, unless you're selling in the same markets as FFMC. They have markets all over, so you can't access the small niche markets.

**Mr. Blaine Calkins:** So what happens when you catch a bunch of fish the board is not ready to accept? Fish don't keep as well as wheat or barley. Are you allowed to freeze them?

**Mr. Allan Gaudry:** No, the sad thing is, it's wasted. That's the sad part of the fishery. There is an opportunity there, and it's sad that this is still happening today.

**Mr. Blaine Calkins:** Thank you, Mr. Chair. If there's any time left, I'd like to share it with Mr. Keddy.

**The Chair:** One minute, Mr. Keddy.

**Mr. Gerald Keddy:** One minute? We can barely clear our throats in a minute.

I'd like to thank the witness for coming. Maybe I'll pick up on marketing, and if I can ask my question quickly enough, you might have time for an answer.

Part of what we see in the east coast fishery is flash frozen at sea. It requires a bigger boat, but it doesn't require a gigantic boat. I realize that you're a small-boat fishery, but even in a 35-footer you could probably do some of that quick freezing and end up with a better quality product. Are you looking at that at all?

**Mr. Allan Gaudry:** Yes. That was discussed at the last meeting of our board of directors. In a lot of these fishing communities, there's

no freezing capacity. So the fish are going to be transported. It takes days before it gets to the plant and the quality deteriorates.

A lot of these communities should be able to have the infrastructure to freeze the fish and maintain the quality. But that's going to cost money. And who's going to pay for it? That's the question. Who is going to have the dollars to come forward and offer to build a freezing capacity in the community so that the fish, as it comes in, gets frozen and stored? You can have the product in a week. It doesn't matter: it's stored, it's frozen. It's not a matter of days for it to get to a plant to be processed and frozen. No doubt this would improve the fishery and the quality.

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

Thank you, Mr. Keddy.

Our time is up, but I'm going to allow the witness a minute or so to make some closing remarks to the committee before we close off.

**Mr. Allan Gaudry:** Thank you for your time. I'm hoping the information I brought forward today will give you some enlightenment on the struggles and challenges we face in the western provinces in our fishery. I'm hoping that someday there will be changes, positive changes, for our fishery and our communities. It's all about jobs and keeping the economy rolling in our communities, and it's been a challenge. Thank you.

**The Chair:** Thank you for your presence here today and for your presentation.

Members of the committee, see you after the break.

The meeting is adjourned.

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