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—
Chair

Mr. Fabian Manning

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• (0905)

[English]

The Chair (Mr. Fabian Manning (Avalon, CPC)): I call the meeting to order.

Welcome, everybody. Welcome, Minister, and your officials.

Once again, in the interests of time, we have to start. We have the minister for about one hour. As I advised the committee yesterday, I'll be very strict about our time, so ensure that the questions and the answers are included in your time slot.

My understanding is that the minister has some opening remarks that he would like to make. If that is the case, the floor is yours, Mr. Minister.

Hon. Loyola Hearn (Minister of Fisheries and Oceans): Thank you very much, Mr. Chair. Thank you for the opportunity to be here again.

We told you the last time we were here that we would be back whenever you wanted us and that we could fit this in, and we'll hold true to that. Looking around the table, it might be a great morning for a Newfoundland coup, so we should think about that as we move through!

As I mentioned, I'm delighted to be here.

With me are my officials, including Deputy Minister Michelle d'Auray; Associate Deputy Minister Claire Dansereau; Commissioner of the Canadian Coast Guard, George Da Pont; Cal Hegge, assistant deputy minister of human resources and corporate services at DFO; and the fellow in the middle of it all, as you know, David Bevan, ADM of fisheries and aquaculture management.

It's been only a month since I met with you, but in that time the government has tabled a new budget, so I'd like to spend a few minutes on that before I go on to some of the other issues.

One of the things in the budget that we're pretty excited about, and that has been a long time coming, is funding for aquaculture. This is an industry that offers new opportunities to many communities that may have once relied mostly on traditional fishing activities. The United Nations estimates there will be a significant shortfall in aquatic food by 2030, if world consumption levels continue to rise. It notes that aquaculture holds the promise of helping to fill that gap. Closer to home, we need only look to the coastal bays in Mr. Matthew's riding in our own province for evidence of how aquaculture can breathe new life into communities that have seen some pretty tough times.

Canadian aquaculture has grown rapidly over the past few decades, but it needs much more investment—public and private—to reach its full potential. I've talked to aquaculturalists and to my provincial and territorial counterparts. We agreed that if we are to help drive aquaculture's next phase of growth, it needs a more streamlined regulatory process, a strong science component, and strategic investment to help spur innovation. It also needs the certification scheme to demonstrate to our markets the sustainability, safety, and quality of Canadian aquaculture products.

So I was pleased that the budget committed \$22 million over the first two years to meet these goals and to help build a more economically and environmentally sustainable industry. It's what the industry has asked for; it's what we've delivered.

Canada has many natural advantages that will help us compete with leading aquaculture nations like Chile, Norway, and China. The interesting thing about this is that many of these countries' aquaculture industries got started, or were set up, with the help of people from Canada, and they then went on to surpass ours. So we fell behind, and we can no longer do that, Mr. Chair. Things like our long coastlines, our cold and clean waters, and our considerable experience as a fish-producing nation should put us back in the fold. In fact, we have a delegation of federal and provincial people going to Chile near the end of this month, which should give us an idea of what's happening in relation to our competition.

Turning to small craft harbours, you may be aware of my department's divestiture program. This program transfers non-essential fishing and recreational harbours to municipal governments, or other parties, for a nominal fee, usually a dollar. It helps local governments take ownership of harbour infrastructure to develop the full potential of their waterfronts in the best interests of their communities. Often the federal government invests money to rehabilitate the harbour facilities before turning them over to the municipalities.

Our budget committed \$10 million over the next two years to make such investments and to accelerate divestiture. Divestiture of non-essential harbours is key to optimizing their overall management. Over time it will allow the federal government to focus its resources on maintaining the core fishing harbours, upon which many coastal communities rely. The bottom line is that by getting these divestitures off the books, more money can then be directed into our core harbours.

On the subject of harbours, you will also notice that we've started with \$8 million over two years to build a commercial harbour in Nunavut. Many times around this table we have talked about the inability of the people in the north to land their products simply because they don't have wharves. We've made a start on that now, Mr. Chair.

• (0910)

This funding will also include support for scientific research and management of adjacent fish stocks, as well as navigational assistance provided by the coast guard.

And speaking of the coast guard, we did pretty well on that in the budget as well, receiving \$720 million to build a new polar class icebreaker. It will replace the *Louis St. Laurent*, which is scheduled to be decommissioned in about nine years. The new vessel will have significantly greater icebreaking capacity than the *St. Laurent*. It will deliver a range of coast guard programs; support science, research, and other government activities; and it will also help enhance Canada's presence in the Arctic.

We also committed \$20 million over the next two years to help Canada complete its obligation to the United Nations and its mapping of our seabeds in the Arctic and the Atlantic oceans. While this funding is not exclusive to my department, the results will surely benefit our work.

Now I'd briefly like to mention seals and the European Commission. As you know, we're collectively fighting the good fight—and I won't say the government here, because all of you have been heavily involved in this fight. Our ambassador for fisheries conservation is playing the key diplomatic role in representing me and the Minister of Foreign Affairs to international and domestic audiences. I understand that your meeting with him yesterday was an informative one, so I'll provide you with a few highlights on this matter.

Over the past year, the ambassador led delegations across Europe and consulted with provincial, territorial, and industry stakeholders here at home on many occasions. Canada has also launched with the World Trade Organization a formal challenge to the proposed ban. We're noticing that some messages are starting to resonate with the European parliamentarians, notably that the seal hunt is a legitimate economic activity as long as it's carried out in a humane and biologically sustainable manner and is well managed. These statements are from EU studies.

With the seal hunt upon us, and with the second European-funded report on the seal hunt due any day now, the next several weeks will be critical. The European Commission has imposed on itself a June deadline to adopt a proposal on this issue. So far it appears they're considering a range of proposals, from a simple information campaign to an outright ban—and it's safe to bet we can expect some degree of action from the EC, which may also impact transshipments through Europe and other markets. So we have to be very cautious about all of this.

Let me finish up, Mr. Chair, by talking about the fisheries subsidy and the World Trade Organization. It is unfortunate that this committee recently heard inaccurate evidence suggesting that an agreement at the WTO on subsidies and countervailing measures

would be wrapped up next month. That caused a fair amount of panic. Let me state clearly for the record that our government has never suggested or concurred with the idea of restricting employment insurance benefits or harbour maintenance to support international trade. In fact, Canada and other nations are strongly opposed, and we understood that these items would be off the negotiating table. That is why Canada and several other WTO members were quite surprised that the draft text on subsidies contained these items.

Let me be clear on the context of the text. Since 2001, the WTO has been holding trade negotiations in a number of areas, including agricultural and non-agricultural market access. Part of these negotiations, among many others, includes subsidies for fisheries. The WTO chair—from Paraguay, I believe—offered up the draft text that he'd written as a reference point for discussion and debate. It is far, far from being a done deal. Providing income support to unemployed fish harvesters and making sure harbour facilities are safe and operational are not part of this equation, as far as we're concerned. We've made that clear to the WTO members. I noticed just yesterday that India and a number of other countries also came out solidly in support of the stand we are taking, and will continue to take.

As I mentioned earlier, you heard a witness suggest that these negotiations could conclude as early as April. That is not the case. The WTO is a member-driven organization. As such, final decisions are based on consensus through a ministerial conference, and there is no date even set for such an event. This process of decision by consensus means that all members of the WTO, including Canada, must agree to all areas of a negotiating round. No consensus means no deal—and Canada would not support such a text.

• (0915)

There may be some confusion raised by the WTO secretary general around the possibility of an April meeting; however, a meeting would only take place if there were a legitimate opportunity to address key issues on agricultural and non-agricultural market access. Even so, such a meeting would not lead to any final outcomes; it would simply be to agree on how best to advance negotiations.

The bottom line, honourable members, is that in the interest of international trade, Canada is not prepared to forsake income support for seasonal workers, like fish harvesters, or its duty to help maintain fishing harbours. It's not going to happen. It never will. It certainly will not be supported not only by us, but many other countries feel the same way.

We're fully engaged in this matter to best serve the interests of Canadian fish harvesters, as we've been for some time, and we will continue to be in the future.

That's it, Mr. Chair. I'll look forward to your questions.

The Chair: Thank you, Mr. Minister.

Mr. Byrne, you have 10 minutes.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Thanks very much.

Welcome, Minister, and welcome to your officials, once again, as they come back to the committee table.

Minister, it was the WTO director general, Pascal Lamy, who proposed that the February 8 release of draft text on both agriculture and industrial tariffs should lead to, and I'll quote, "a 'horizontal' negotiating process involving trade-offs across" agriculture and industrial tariffs and other possible areas, "culminating in a ministerial meeting to finalise a 'modalities' deal around Easter", which of course this year is March 23. Earlier this month he said members had demonstrated a "collective determination to conclude the talks by the end of 2008", which would require a framework deal on agriculture and industrial goods six to eight months earlier, setting the date around April.

Minister, that seems to be a bone of contention between you and international trade experts, because what the international trade experts are suggesting is that to conclude agricultural and industrial tariffs, there would potentially be a trade-off session with other sectors, i.e., fisheries. Minister, I think we've heard that expression before, agriculture versus fish, and to be able to do that, we'd have to proceed six to eight months before the end of 2008, which sets the date as April 2008, to establish a general principle framework agreement.

What the expert witnesses have told us is once that general agreement is established, that agreement in principle, arguing on the margins is next to impossible. The organization, the WTO, either proceeds with the bulk of the package—agriculture, industrial and cultural industries, textiles, and fisheries—or it proceeds with nothing.

Would you be able to comment on that, Mr. Minister?

Hon. Loyola Hearn: I certainly will, and then I can have some of my officials get into the more technical side of it.

Let me assure you, number one, there will not be any trade-offs by us, nor I would suggest from most of the solid fishing countries in the world, on what we would call fishing benefits, whether it be unemployment insurance or support of our harbours. You've been around. Most countries in the world, most fishing countries fairly similar to us, depend on the same kind of infrastructure, the same kind of assistance. People say Foreign Affairs can do what they... they can't. Anytime Foreign Affairs makes a decision on the fishery or any kind of fishing benefits, we're involved. It's the same with agriculture. It would be a very interesting session should they attempt to do so, let me assure you of that.

In relation to the chair and his draft text and their ideal time, let's try to get agreement; let's get all this out of the way. When I came to Ottawa seven or eight years ago, we were talking about the various necessary agreements. In fact, this very thing of fishing subsidies was mentioned, I would think, at least five or six years ago. In agriculture, how often have we heard our people talk about supply and demand? On the marketing boards we have back home in relation to the dairy industry, etc., Canada has supported that. We've heard for years it's going to be cut out. We stood alone, I think, at the last round. I don't know what the number was, but it was an atrocious number, 181 or something to 1. But the thing is, we will not flinch on this kind of stuff. Can we just sit back and say we shouldn't worry? Not at all. You have to be very conscious of what's going

ahead. You know how things can be manipulated if you're not on the ball. But we certainly are on this, and we have no intention of letting this go any farther than it has right now.

Does anybody want to add to that?

• (0920)

Hon. Gerry Byrne: Minister, there seems to be a convergence here of a whole number of issues, a number of files.

In the WTO draft agreement on fisheries subsidies, it specifically states in article V on fisheries management that a country's domestic fisheries practices would be challengeable by WTO members. In fact, what it says is that each member state:

shall adopt and implement pertinent domestic legislation and administrative or judicial enforcement mechanisms. It is desirable that such fisheries management systems be based on limited access privileges.

It goes on to describe that under annex VIII, for every country, their own domestic management practices could be challengeable within the WTO as to whether they meet a conservation standard.

We also have sort of a convergence here with NAFO. The NAFO draft convention, the proposed changes to the convention, includes the possibility of NAFO control not only in the regulatory area outside the 200 miles, but as well, via consensus, inside the regulatory area, basically the entire convention area inside 200 miles. In other words, NAFO could be a stand-in for the WTO's adjudication of whether or not a WTO member country's domestic fisheries management practices are in the best interest of conservation. NAFO would then be the judge of a WTO challenge, as I see it.

You also have the new fisheries act, Bill C-32, which actually, in clause 43, allows you as minister the right to establish fisheries management agreements with other outside bodies, other than the Government of Canada.

There seems to be a very unique coincidence here, a whole number of domestic and foreign policy issues that seem to be converging on the ability for outside interests, other than Canadian domestic policy, to judge or decide on Canadian fisheries management practices. Is this just a coincidence?

Hon. Loyola Hearn: If you want to stay up late at night to try to bring this together and say there is some kind of conspiracy that Canadians can control.... That is not the case at all.

Internationally, and in relation to subsidies, etc., the bottom line is the attempt by all nations to curtail unregulated illegal fishing so we can control the fisheries on the high seas as well as within domestic waters—conservation being the concern—to make sure we don't destroy stocks. All of that comes down, even with our marketing now, to certified products. A number of our major companies are going in that direction to make sure their fishing resource is sustainable, that it's well managed, etc. With more boats going into the fleets, they're trying to prevent illegal activity, where some countries are subsidizing the construction of boats to illegally raid the stocks, etc. The basic attempt is to stop that.

It's like everything else. When you go to stop something and go overboard in your attempt, sometimes it affects others. The fishing nations of the world realize that, and that's why they won't support the extension of some of the suggestions.

In relation to NAFO, let me be very clear. In the new NAFO text, the only way anybody can play any part in relation to service management, or whatever, inside our 200-mile limit is upon invitation. Even when they are invited, when the decision is made for them to come, we would again have to agree to them coming in. Why would we do that? The only reason I can think of is for scientific work. Last year we did work inside our 200-mile limit with Spain. They have done work with us, internationally, and some of the other countries are willing. Why are we all going off in the same direction, duplicating, triplicating, the work, etc., when we should be working together, internationally, to protect our stocks?

I have no hesitation at all in saying that our stocks and management abilities are well protected and nobody else can encroach on that.

In relation to this convoluted stuff that has come up here, we have to be conscious of it. There are some countries in the world that are not affected by any of this, and they can get their foot in the door by trading off and bringing down others. There are many of us around who operate a solid, scientific-based fishery.

We realize that you can't fish if you don't have a wharf to fish from. That's pretty basic stuff, but that's where we are right now.

In relation to people employed in the fishery, during the dead time of the year, what's the difference between fishing and working in the forestry or with Woolco or whatever? If you're laid off, you're laid off, and you should draw unemployment insurance. We have to be conscious of that, but we will never trade off with anybody or anything in light of losing any of these benefits. It's not going to happen.

Again, as I said, we all have to be conscious of that.

• (0925)

The Chair: Thank you, Minister and Mr. Byrne.

Mr. Blais.

[Translation]

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

Good morning.

I'd like to know how the negotiations with the World Trade Organization have come to this point. I was quite surprised—and others were as well—to see that the extent and content of texts that were circulating were jeopardizing the future of the fisheries in general. I find it very hard to accept that we've gotten to the point where we have these kinds of texts. I figure it's one of two things: either someone was asleep at the switch at some point, or these kinds of negotiations can lead to texts that I don't think make any sense.

You've been minister for two years, or a little more. At what point were you made aware of these negotiations? What measures did you take with regard to all that?

[English]

Hon. Loyola Hearn: I thank the honourable member for his question. *Merci beaucoup*, Monsieur Blais.

I have just gone through this, but I will have to go through it again. When I came here six or seven years ago, on several occasions in the House of Commons the issue of WTO negotiations was raised. The same stuff that was talked about then is being talked about now. Agricultural and non-agricultural issues were raised. At least five or six years ago, concerns were raised about fishery subsidies, employment insurance, small crafts harbours—the same things that are here right now. They then died, I guess, in the last few rounds or discussions. Fisheries didn't seem to draw much attention, even though it was part of the overall negotiations. The issue was raised again this past November, when the chair put forth a draft document to raise issues for discussion.

If you look at the document, the issues we're talking about here in relation to what they call fishery subsidies are bracketed—they are for discussion and discussion only. Immediately there was an outcry from a number of WTO countries, including ourselves, saying, "Forget it, it's not going to happen. You've gone way overboard." We're trying to prevent overfishing and illegal unregulated fishing. We're trying to prevent countries that have no connection with the fishery from building and subsidizing entrants who go out there and rape, etc. A number of countries have come together to put an end to that kind of fishery. The fishery of the future will have to be one that's substantiated and built on solid biomasses. We have to make sure the fisheries are sustainable and properly prosecuted.

We have no problem with that; we've been pushing for that.

In November, the chair came up with this draft text listing subsidies. Among the subsidies were employment insurance, and whatnot. We immediately said that's not going to happen. In order for them to get anywhere on this there has to be consensus. There is no consensus. It's not only us. We can stop it by ourselves, but there is no consensus. We have lots of friends.

Basically that's where we are with it. As we move through the negotiating process it will be made quite clear that we and a number of other fishing countries will not support this and it will die on the order paper.

• (0930)

[Translation]

Mr. Raynald Blais: You've no doubt heard, year after year, about the deadlock in the shrimp negotiations in Quebec. Moreover, last year, you finally agreed to look at solutions to resolve that deadlock. We're a few days away from the next season, which starts in April.

As you know, I met with the people who work in the plants. They're stuck between the processors and the fishermen. They're just waiting for a sign from you, but a sign that points in the direction of action, of course. The idea is to help resolve the deadlock, particularly on the costs of licences and energy used by the boats. I was wondering what you intended to do on this subject, in the short term.

[English]

Hon. Loyola Hearn: Let me make two comments, Mr. Chair, one broad-based and on the longer term and the other specific.

First, on the longer-term broad-based aspect, fees are set, as you know, not by the Department of Fisheries and Oceans, but by order in council. To change fees, you look at changing the whole fee structure.

I believe the method of setting fees is not a proper one. It's not a fair one. We set many of the fees when prices—not all, but many—were high and fishermen were doing well. Fees were set fairly high. Prices have dropped in some cases, but costs have certainly escalated. The changing dollar has affected the marketplace. The cost of fuel has gone through the roof, and these costs are borne by the processors on the export side and by the fishermen on the harvesting side.

We suggest that fees should be in line with the net benefits to the fishermen and we are moving to adjust that. It's a long-term process that, as I mentioned, has to go through the whole government structure.

In relation to the Quebec issue, last year we said we would monitor it closely. We will be prepared to help the shrimpers provided that shrimpers need help. As of yet, I haven't had any direct information in relation to the price that will be offered this year as fishermen start fishing. We have New Brunswick, Newfoundland, Labrador, and Quebec basically fishing in the same pot, selling in the same market, and processing at the same costs. There should be very little discrepancy among prices offered. Last year we saw Quebec people being offered much less than the others; the processors came onside after a while and offered a higher price.

I'm not sure what you want me to do at this stage. There are negotiations under way. If they are having some difficulties, it's up to them to try to work it out. For government to step in right now and tell people not to worry because if you don't get the price you want, we'll give you money, or to say to the processors that if they can't afford to pay, here's money to pay the fishermen—if that's what they're waiting for, a government subsidy, while others out there in New Brunswick and Newfoundland are paying the price, that's certainly unfair.

We are monitoring the situation. We will step in if we have to step in to help fishermen, but we are not going to interfere with the market, nor are we going to go in and subsidize people just because they're looking for a few extra bucks from the government when others are paying the full price. I'm not talking about fishermen here, but processors.

We'll see what happens here, but we will be ready to move if we have to move to help the fishermen.

• (0935)

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

Go ahead, Mr. Stoffer.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Thank you, Mr. Chairman, and thank you, Minister and staff, for coming today.

Sir, you've indicated your strong support for making sure the WTO doesn't go where we don't want it to go. We appreciate those comments, but one of the concerns is that the fishermen need to hear it. The officials we had before said they had talked to various

representative groups across the country, but when I spoke to some of those groups, they were caught completely off guard.

My only advice in that regard is to make sure that the first nations, Phil Fontaine and Shawn Atleo, the PEIFA, the MFU, and the Eastern Shore Fishermen's Protective Association—those organizations that represent the fishermen—are fully aware of what the government intends to do regarding these talks. That would go a long way to alleviating some of those fears.

Sir, some of my questions for you and then for the officials afterwards are about a motion that was passed in the House on division on Bill C-32 to ask the minister to bring the new fisheries bill drafted by the government to the committee before second reading. That was passed by the House. I'm just wondering if indeed you are going to honour that request.

The other one, of course, is well over a year ago.... Mr. Da Pont knows this well; this is now the fifth time I have asked him. It is regarding the marine service fees north of 60 degrees and why they haven't been removed yet, even though it was passed by the House and we've asked many times.

The FFMC, I understand, is going through a review process. Could you let us know how that is going?

Also, there is a concern in Nunavut regarding the recent proposal of transfer of fish from the Barry group to Clearwater. That is causing some concern to the hunters and trappers.

I'll ask my last question before I run out of time. On the west coast there has been an issue regarding the chinook and the bycatch from some U.S. fishermen. What is the government doing to alleviate those concerns?

I'll ask questions on the Fraser River fishery later. Obviously I've run out of time, of course.

Thank you.

Hon. Loyola Hearn: Thank you very much, Peter. Snappers: that's the right way to get the questions in.

Concerning letting the groups know, yes, we certainly will. I would suggest that it's a job for you people too, as representatives. You've heard what I've said in the House; you've heard what I've said here. I don't say it unless I mean it. You can tell them that we are aware of it, and not only are we not going to let it happen, but you are not going to let it happen. With things like that, we're all in the same boat—the seal issue, the trade issue. This is beyond one party or petty politics.

On Bill C-32, a motion was passed in the House that I consider bringing it to the committee before second reading. I have considered that. We will not be sending it to the committee before second reading, but I would challenge you. We need to get on to deal with this bill. You need to get on with dealing with it.

In the first round, when we had it in the House as Bill C-45, a number of you raised issues, and relevant ones, even though some of it was for clarification—but clarification was needed. Major changes were made along the lines of what you asked for. When it came back again, that wasn't satisfactory. I think it is. To a large extent, I don't think there's anything there that can't be changed with outside discussions and work here at the committee. I offer to bring the bill into the House and ask either to have a short debate and move it to you here at the committee or to get unanimous consent to bring it to you and then you can do what you want. If you want to go around the country with it, which I would support, do it, and let's get on with it.

But it's not coming to the committee before second reading. That is extremely dangerous. You could end up with completely different legislation. It may not be perfect, but it's a lot better than what we had. There are a lot of things we need to do. Every fisheries minister across the country is supportive, and just about every fishing group.

I would suggest this: get the bill through, bring it to the committee, do whatever you want with it, and then let's move on with it. And I'll give you the opportunity to do that sooner rather than later.

In terms of marine service fees, I would suggest that pretty soon—in days, hours, that type of thing—we'll be dealing with that issue.

As for the Nunavut transfer, I was surprised to hear you ask that, because you were one of those around this very table who expressed a lot of concern about what was happening with the resource that has been landed in the north and about who the real beneficiaries were. I would think you probably still have those concerns, because I have.

The transfer that was made was simply a transfer between fleets that had fish and who had started the fishery, all of it being caught, landed, and processed in Canada, not landed in Greenland and sent over to some other foreign country. This was no different from any other transfer we would have made ordinarily.

In terms of the chinook, we are concerned with the major bycatch. The ambassador has taken that up with the United States, and we ourselves have. We have set, I think, 130,000...the last year they counted. The maximum limit for bycatch is such that we hope to have around 37,000...if I remember its number correctly. A bycatch of that magnitude can certainly have a real adverse effect.

Concerning the Freshwater Fish Marketing Corporation, the FFMC, I'm meeting with Mr. Wood, in fact this week. I think you may have met him. If not, you probably should have him in. There's a new approach, new ideas, a change in fishery.

I met with Minister Melnick—you probably know Minister Melnick from Manitoba—some time ago. She's a very progressive individual; we got along very well.

Her dream of marketing this fresh fish jumping out of the cold stream in Saskatchewan and northern Manitoba—fresh on the market, which is the way to go—has a lot of potential. We can't have fish on the road for six days—six days on the road, and they're going to be processed tonight—in a frozen state, much like the old block in our fish plants.

We have a chance to make a difference there, but I think the board itself is looking at it. Do we need either/or? Maybe not. We might be able to work together to provide what the fishermen need.

• (0940)

The Chair: Thank you, Minister.

Tune in next time, Mr. Stoffer, to get the rest of the answers.

Mr. Allen.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you, Mr. Chair.

Welcome to everybody here and Mr. Minister.

I have a couple of questions I'd like to ask. Whatever time is left I may end up splitting with my colleagues.

The couple of areas I'd like to ask about pertain to aquaculture and the dollars you talked about in the budget. On page 130 of the budget it talks about \$22 million over two years and improving regulatory certainty as well as the regulatory science to establish performance-based environmental standards.

I'd like to go back to one of the questions I asked the last time you were here. There is a study out there in the Public Library of Science that talks about the impact of sea lice from aquaculture operations. They talk about the decline in wild salmon being different in areas where there are aquaculture farms compared to areas without them. They say it "may" be related to sea lice. I know there's some science that suggests it may be the other way.

With this money for aquaculture, how do you see the science side helping not only aquaculture and developing a very important industry for our region, but also protecting the wild Atlantic salmon?

Hon. Loyola Hearn: There are two ways of looking at it. We have put significant money in the budget this year—two years up front and more over a five-year period—to work with the aquaculture industry to plan and move forward. We've met with them since I've been here. I'm a supporter of aquaculture, but not to the detriment of the wild fish. I think they can go hand in hand. They certainly have in other areas.

The wild fishery cannot meet the needs of the world for food products any more. We see other countries moving forward in aquaculture and providing a tremendous amount of work for people who perhaps had a history in the wild fishery and can easily adjust. To take a 60-year-old and put him in school to teach him computers, as we tried to do, or expect him to pack up his family and move to Alberta from Nova Scotia, New Brunswick, Quebec, or Newfoundland, is not the way to do it, when five miles up the road he can be involved in the fishery. Instead of working for eight or ten weeks, he can be involved in the fishery year round. In Bill Matthews' area we see that happening every day. There are 200 people involved at Cooke Aquaculture alone and another 100 are being hired. That's not even counting the spinoff, making nets, etc. So the potential of aquaculture is just phenomenal.

A lot of the money we have put in will be used to do the science, but it's not that the science isn't being done. If you talk to the main aquaculture people, they're heavily involved in it. Whether it's at the BIO institute in Nova Scotia or in St. Andrews in New Brunswick, a lot of work is being done on aquaculture.

You mentioned a study that shows fewer wild salmon now around fish farms, but there are fewer wild salmon, period. Where there are no fish farms, the correlation is almost the same. We are having problems with our wild stock, and it's not because of aquaculture. Is there some effect? Are there more sea lice? Any studies we have done show that's not having a major effect, if any effect. Do we need to do more work on it? Absolutely. If it is a concern, let's find out as much as we can. Let's alleviate any problems that are there.

But the problem with wild salmon is on both the Atlantic coast and the Pacific coast. We are seeing a downturn in many of the rivers. We're seeing that the predictions we used to make on returns a few years ago within percentage points are way off these days. The percentage of salmon that go out are not coming back.

Migration patterns, water temperatures, predation—we know all of those things are having an effect. Specifically what's causing the major concerns are the things we have to find out, and we're working hard on that. There seems to be a healthy return in the more northern rivers, yet in the more southern areas we're seeing a downturn. Are salmon migrating in different routes? Are they not coming back to the river of choice? These are the things we're trying to find out.

The money will be spent to try to get as much information as we can about the correlation between farmed fish and wild fish to make sure there is no damage. It's great to say there's none, but let's be positive that there isn't so we can have one industry that enhances the other, rather than bringing it down.

• (0945)

Mr. Mike Allen: My next question is on the salmon endowment fund. I know a lot of folks in eastern Canada really appreciated this money finally coming through in the salmon endowment fund.

Now that this money has been put into the endowment fund and there's an organization managing it, can you or any of the officials comment on what the reporting mechanisms for this money are, how it's to be spent, and whether it's actually going into areas to improve habitat? How do we make sure this is not just becoming another lobby effort or lobby organization and that those dollars are going to be well spent?

Hon. Loyola Hearn: I'll pass that one over to officials for the specifics, but the board itself is widespread and made up of people from across the provinces that are affected. I wouldn't think it's going to be pigeon-holed or put in anybody's little pot to do with what some individual or individuals would like. We have some pretty broad-minded people on the board. There have been some changes made, as you know. We would think it will be used for the reasons suggested.

Does somebody want to talk about the reporting of that?

Ms. Michelle d'Auray (Deputy Minister, Department of Fisheries and Oceans): The foundation is to report to us on an annual basis and give us a business plan as well as a statement of income and investment. It is an organization at arm's length from the

government. We are obviously not the managers of the fund, as it was set up as an endowment. We have had a number of discussions and meetings with the organization to make sure the business plan is solid, the way forward is well structured, and the investments are sound.

Hon. Loyola Hearn: I'll just add one thing. Many of the things we do in the fishery we are doing where all of you live. If you see something going on that you think could be done better, or if you see something going on that shouldn't be going on, let us know. Accept some responsibility.

I'll give you an example. Peter came to me yesterday with a couple of issues. Right away, I didn't even have to check it out; I was familiar with it. I could talk about it, and he could go back and deal with them.

Any day, in the House or around, if you see something you'd like to raise, I'm not a very hard fellow to approach. Just come over and we'll see what we can do about it. Don't let anything go by and say, "I knew that". If you knew it, make sure somebody else knows it, and at least we can look at it. If you're wrong, okay, but if you're right, something can be done about it.

• (0950)

The Chair: Mr. Kamp.

Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC): Thank you, Mr. Chair.

I have one or two quick questions for you.

Minister, you mentioned money for seabed mapping in your comments and in the budget as well. Can you give us a bit more clarification on what that's used for, what you hope to achieve by it, and if it relates at all to the issue that's sometimes called custodial management?

Hon. Loyola Hearn: That's a good question. Maybe I should ask you to give me your definition of custodial management. I have several, including some from people around the table who have done pretty well according to these definitions.

That certainly is part of it. We intend, under the law of the sea, to try to extend our continental shelf. We said we would do that. We have to make our submission by 2013, I believe. We've asked the department not to wait until the last minute and then rush to make changes. We're trying to move as quickly as we can.

Extensive mapping has to take place, but while we're doing that, the mapping can be used for a lot of other things. We're trying to open up the north in particular, as you know. We need to know more about the passageways. We need to know more about the geology under the water, for all kinds of possibilities. We also need to know the exact extensions.

I think in our preliminary mapping of the Grand Banks area we really took in more territory. The shelf extended a bit farther than originally thought, according to limits, which also then gives us control, of course, over anything on or under that seabed as of today. That makes mineral exploration more viable and extensive.

It's beneficial right around, but what we have to show are the limits off the continental shelf, the maximum limits according to all the rules, as we submit to the law of the sea for complete control over that territory. If we want to push for control over the waters over it, that has to be part of the equation.

Mr. Randy Kamp: I have one more quick question, if I have time.

On the west coast, on the Fraser River, in fact, the issue of removing gravel from some of the extensive gravel bars there becomes somewhat controversial from time to time. Can you tell us what the role of your department is in that whole process?

Hon. Loyola Hearn: Gravel removal is certainly a provincial responsibility—correct me if I'm wrong here, please—but because it may affect fish or fish habitat, we have to play a role and give approvals.

It's been a bit of a pain over the last few years. Usually you get a rush to remove gravel when there is a threat of flood. But you just can't go out with a wheelbarrow and a shovel and remove a bit of gravel. I've seen some maps...and if it's of interest or concern to the committee, you should have somebody provide a map to see how the Fraser, and I presume other rivers, had been filling in with huge amounts of gravel. Just for fish passage alone I think we should be looking at some gravel removal, because you're seeing changing of courses in the river.

In terms of gravel removal, you know, somebody has to do it. Usually it's a contractor. To get to the gravel you quite often have to build access ways, whether it be bridges or whatever. Quite often there is an effect on fish habitat. Sometimes it's near spawning grounds. All of these things have to be factored in.

What we are now doing with the Government of British Columbia is trying to be proactive, trying to move ahead to make decisions—where you can remove it, what needs to be done—and have all these things in place. It seems the overall plan, as we move forward, is that you won't be seeing panic, you'll be seeing an orderly gravel removal to avoid flooding. Diking certainly is much more beneficial when it comes to controlling floods, but gravel can play a part. I think it's also needed just to make sure we have proper flow on the river.

Does anybody want to add anything to that?

• (0955)

The Chair: Okay, thank you, Mr. Minister. It's 9:55 now, and I know you were scheduled to be here for one hour. It's now closing in on five minutes.

Hon. Loyola Hearn: I do have a meeting with a fisheries minister. That's why I'm on a tight schedule.

The Chair: Okay. We were going to attempt to keep you here a little bit longer, but if your schedule dictates that you can't stay, we understand.

If you want to make a few closing remarks, you're welcome to do so. Then we'll suspend for about five minutes and return after that with the officials.

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

I'd like to thank the members for the issues raised and for the ways in which you've raised them. Some of the issues are down-home personal ones, whether it be a war in Mr. Blais' shrimp issue...which is a very important, serious one in Quebec, and we are aware of it.

There are bigger ones, the WTO and the seals. We did announce yesterday the seal quota of 275,000, widely accepted, I think, by both hunters and the industry as being just about right—a significant amount and yet not too much to distort the markets.

On these issues we need everybody involved. These are, as I say, bigger than the department, bigger than any political party.

I would come back to my offer on Bill C-32. It's a piece of legislation that will help us clear up a lot of the concerns. Nobody got a chance to raise the Larocque situation today. Over the years the departments successively could provide funding to different groups to do scientific work in their own areas. It was invaluable when you had the people in the boats working with you on science. The Larocque decision sort of put that to bed. We had to try to find other funding. The act will help us there. It will help us in habitat, it will help us in enforcement, it will help us do a tremendous amount of things.

So I would suggest that, really, if you're serious about helping fishermen—and I know you are—maybe it's time to look at that in the big picture and take the bill to committee. I will arrange to get it here as fast as you want it, and then it's in your hands as to how long you want to keep it.

Other than that, Mr. Chair, I know you have a lot on your schedule, but if there's a gap here and there and we can fit it in, I don't mind at all; I think it's beneficial to all of us to come and have an open and frank discussion. We'll come any time that I'm free and that you want us to come.

I offer again, as I did before, especially to the people around the table who are the ones more directly involved, that if there are specific things—some of you know this already—then just bring them directly to my attention in the House if they're important. I'll see that we deal with them as quickly as we can.

The Chair: Thank you, Minister.

Just as a closing remark, yesterday we had Ambassador Sullivan before the committee for almost two hours. Certainly, he provided some great information to us on his efforts, especially in Europe, in regard to sealing.

There was a motion put forward by Mr. Stoffer that some members of the committee maybe should travel to Europe later and assist Ambassador Sullivan and his delegation in their efforts, especially with the European Parliament.

He had a lot to say, and once it's all interpreted and we have a copy of what he said, we certainly will be following up the motion to the Liaison Committee to seek assistance for that trip. We certainly would like to have your support on that, if possible.

Hon. Loyola Hearn: On that, I already mentioned to one of your members yesterday that I had heard about the motion. I support it solidly.

I was in Belgium and met with a number of people about a year ago. It's when you talk to the politicians—forget the anti-protestors and the protestors, and everybody else out on the streets. The people who make the decision, as it is here, are the people who sit around and vote in the House. It doesn't matter what pressure bears on them; they will be the ones to say yes or no.

The ones I talked to, almost unanimously, had a one-sided story: the 20-year-old video of the whitecoat being clubbed. That's what they had heard about, and they thought it was terrible. Those who knew a bit more supported us, including some of our Irish friends who were over there and spoke out in our favour. As long as the hunt is sustainable and humanely conducted, that's all they want. But it takes politicians to talk to politicians. God bless all of our officials dealing with the other officials. It is the politicians talking to other politicians at that level who will make the difference.

I would suggest that if the whole committee could go there and spread out and talk to people, it would be well worthwhile—and I will defend you against anybody who says it's just another foolish junket.

I would also like to thank the committee for supporting me in what we had to do in taking the shrimp quota from P.E.I. I'll make sure it's spread around to everybody.

Some hon. members: Oh, oh!

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

•(1000)

The Chair: We don't have time for any more questions.

Thank you, Mr. Minister.

We'll take a five-minute recess.

• _____ (Pause) _____

•

•(1005)

The Chair: I'll call the meeting back to order.

We're not going to have opening remarks. We're just going to begin with our round here. We have some committee business to take care of, so we're going to do a round first.

Who wants to go first? I don't think Mr. Byrne will be going first any more, after this morning.

Some hon. members: Oh, oh!

The Chair: Mr. Simms? No?

Mr. Matthews.

•(1010)

Mr. Bill Matthews (Random—Burin—St. George's, Lib.): I'll ask something.

I tried to convince you, Mr. Chairman, to get the minister to stay another few minutes, and he was here another few minutes, so we could have asked some more questions.

Just yesterday, while flying here, I noticed in a couple of newspapers some announcements on small craft harbours in Nova

Scotia. It's a good thing these are being announced so early, on March 10. The last time the minister was here, I asked when we might get the small craft harbours announcements out, but I didn't anticipate we'd have announcements so early in March. I'm pleased with that.

I just wanted to ask the minister, but will now ask you, when can we expect the small craft harbours funding approval announcements for the Newfoundland and Labrador region, since I read some Nova Scotia announcements yesterday?

A voice: They're all approved. They're all done as a batch.

Ms. Michelle d'Auray: Thank you for the question.

I think as the projects are ready to be rolled out, they are ready to be announced. I don't know if there are any specific elements that Mr. Hegge might want to add to that.

That's basically the way we move forward on these projects.

Mr. Bill Matthews: Well, I really didn't hear an answer.

Every year, as I said to the minister the last time he was here, the announcements are made so late. And then with such short construction seasons, and weather and stuff, we always get a lot of carryovers and work not completed as early as we would like it to be completed. So it seems to me that if there were small craft harbour announcements in Nova Scotia within the last day or so, we'd hear of the others too, as I would think they're all done around the same time. I'd just like an answer as to when I can expect the Newfoundland and Labrador approvals, and when these subsequent announcements will be made.

Having said that, and maybe I'm jumping to the wrong conclusion, I am assuming that the announcements I saw yesterday are part of the most recently approved budget—or maybe the money came from somewhere else.

Maybe someone can clarify that for me. I'm not sure.

Ms. Michelle d'Auray: The funds for small craft harbours that were in the budget are actually for the enhanced divestiture plans; they're not for the construction or the general program we have for the refit, retrofit, or enhancement of small craft harbours. We also had some funds available for divestiture, but the new funds will not be integrated into our program until later this fiscal year. So we would not be advancing or working with these funds until they are actually integrated into our budget, which they are not at this point.

Mr. Bill Matthews: Yes. I saw the \$10 million item in the budget for the divestiture program, but I'm pretty certain that what I saw yesterday was not divestiture. I forget the number of them, but I should have brought the press release with me.

Let me just ask this question, and one of you should be able to answer it. Have the decisions been made for small craft harbours for 2008-09?

Ms. Michelle d'Auray: I would think that most of the plans at this point would have been finalized. I think there are still a few outstanding issues with regard to the availability of plans, or the completeness of some of the plans, at this point before we can move ahead with some of the construction. In order for us to be ready for the construction seasons—plural—as you indicated, most of the allocations for 2008-09.... A number of them are actually carried over from the previous year, so most of the drafts at this point would be complete.

Mr. Bill Matthews: Thank you.

The Chair: Yes, go ahead.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Da Pont, how many coast guard lifeboats are there across the country? Is it 38, 41, 42?

Commissioner George Da Pont (Commissioner, Canadian Coast Guard, Department of Fisheries and Oceans): I assume the 47-footers are the ones you're referring to.

Mr. Scott Simms: Yes.

•(1015)

Commr George Da Pont: There are about 34 or 35.

Mr. Scott Simms: How many are in Newfoundland right now?

Commr George Da Pont: There are two in Newfoundland.

Mr. Scott Simms: Where are they located?

Commr George Da Pont: I don't have the specific locations with me.

Mr. Scott Simms: Is there one on the northeast coast?

Commr George Da Pont: I'm afraid I don't know for sure.

Mr. Scott Simms: Should there be one on the northeast coast?

Commr George Da Pont: I thought....

Voices: Oh, oh!

Mr. Scott Simms: No, it's not funny; it's quite tragic, actually.

Commr George Da Pont: I understand. It's a serious question.

As the committee is aware, we've been conducting an SAR needs analysis for the better part of a year and a half, which we've completed. We are discussing the findings with our partners, the Department of National Defence and the auxiliary, and on the basis of that, we'll be looking at whatever adjustments are appropriate in terms of our SAR coverage.

In Newfoundland, we have not had that many 47-foot lifeboats for two reasons. One is that the profile of SAR cases in Newfoundland is very different from many other parts of the country. Well over half the cases take place beyond 50 miles, which is beyond the range of those 47-foot lifeboats. So most of our profile in Newfoundland has been built around our medium and our larger vessels for that reason.

In addition, the 47-foot lifeboats don't operate in ice conditions, so of course they're limited just to the spring, summer, and early fall seasons. The profile in Newfoundland has been dictated by the types of SAR cases and the types of vessels that are best placed to respond to those SAR cases.

Mr. Scott Simms: The Transportation Safety Board said it's not going to look into the situation that happened with the *Check-Mate*

III. What are your thoughts on that? Have you received the latest detailed reports on what happened that very evening?

Commr George Da Pont: Mr. Chairman, obviously it's not appropriate for me to comment on decisions from the Transportation Safety Board.

In terms of the investigation, I understand the Department of National Defence is conducting an end investigation and will have a report. I have not seen that yet.

Mr. Scott Simms: Would that be a precursor to any report you would do?

Commr George Da Pont: We would see what the conclusions were from the DND report. At this point we're not planning any separate investigation of our own.

Mr. Scott Simms: Okay, thank you.

The Chair: Are there any more...? There are two and a half minutes here.

Hon. Gerry Byrne: I want to follow up on the Larocque decision. I wanted to raise this with the minister directly as well, but time constraints prevented it.

Why is the Department of Fisheries and Oceans ignoring a direct request by this committee for information pertaining to quotas that have been assigned pursuant to the implementation of science and scientific management?

We've asked, as a committee, for detailed information on quotas that have been provided to various fishing organizations or fisheries stakeholders groups, amounting to the name of the organization, the type of fish that was provided, the amount of fish that was provided, and the intended outcomes from that fish that was provided to have those groups engage in scientific activities and report that back to the public through DFO.

The department, however—after several months of requests from this committee—has refused to be fulsome in its report to us. It's only provided information on 60 organizations that have received quotas. It will not provide the type of fish nor the volume of fish that was provided. It simply stated that organization X got what the department estimates to be a dollar value of fish provided.

What is the department hiding? This is a very serious question. This committee has asked for some information. It is clear to us you're ragging the puck on this issue, and quite frankly, you're raising suspicion among the committee members that the department is actually hiding something.

Ms. Michelle d'Auray: Mr. Chair, I would like to offer to the member that we are not hiding any information. The interpretation of the question and the request for information was that it was about the number of organizations that had received fish for science activities. The remainder—I think we have about 170 agreements with organizations and/or enterprises—do not involve the use of fish, which is why we did not provide that information. It wasn't that—

•(1020)

Hon. Gerry Byrne: What does it involve, then?

Ms. Michelle d'Auray: Sometimes we would pay them directly to do it, so it was in fact contracted services, and on occasion it involved services in kind on our behalf, i.e., we would provide the scientists on board or the equipment necessary. Those involving the use of fish—i.e., the critical component of the Larocque decision, which was that we could not use fish as a means of covering the expenses for the surveys—was what we provided you.

We will provide you with the others by the end of this month, but frankly, they do not include the use of fish. The agreements were in fact contractual agreements that included funding on our behalf or in-kind services. This is why we interpreted your question—and my apologies if that was not the intent of the question—as dealing with the use of fish specifically, which is what we provided the committee.

The Chair: Thank you, Madame.

Thank you, Mr. Byrne.

Mr. Lévesque.

[Translation]

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Thank you, Mr. Chairman.

Good morning, ladies and gentlemen. I'm going to ask my questions all at once, and then Mr. Blais will take over.

First, I'd like to know whether budgets have been set aside for harbour dredging. As you know, beluga quotas have been set for the coasts of Hudson's Bay and Ungava Bay. The quota of one small village located on the point is distorted every year because people from villages further to the south come and fish off the point. However, the quota is calculated based on the village. The other day, the minister told me that constructive discussions were being held with the Inuit, but we don't know the results.

Furthermore, when the Inuit are asked to count the beluga population, people from the department are then sent to check the count. However, the beluga move on in the meantime, and when the check is done, they've moved further away. Consequently, what is calculated doesn't accurately reflect the stocks. We had asked the minister responsible for the matter to rely on the Inuit's reports, particularly since there was no advantage for them in cheating. It's a matter of survival for them. I'd like to know where those matters stand.

Mr. Da Pont, given that the submarines are currently inactive, would it be possible for you to requisition one to go and count the stocks under the ice? We know that cod populations are declining and we have a lot of questions on that subject. Sometimes we wonder whether it's possible those populations are migrating to colder waters, in view of global warming. I also think this activity could serve as training for submarine personnel.

Ms. Michelle d'Auray: Thank you, Mr. Chairman.

I should point out that no budget has been allocated to the department for dredging as such, except in very specific locations that are the subject of agreements with the United States, for example. In other cases, we're given directives by Cabinet based on previous decisions.

I'm going to let Mr. Da Pont continue, if he has something else to add. Perhaps he could clarify where the dredging is being done.

Commr George Da Pont: It's being done at only two locations in Canada: first, in the Detroit River, and in the St. Clair River, pursuant to international commitments with the United States. It's also being done in the St. Lawrence River, but that work is entirely paid for by the industry. So it's a specific arrangement.

Ms. Michelle d'Auray: I'm going to ask Mr. Bevan to answer you on the current state of the discussions. The discussions are currently continuing and we haven't reached an agreement. The discussions on inventory are ongoing. We're also discussing overfishing and monitoring to ensure quota compliance.

• (1025)

Mr. David Bevan (Assistant Deputy Minister, Fisheries and Aquaculture Management, Department of Fisheries and Oceans): The discussions have enabled us to increase total catches and to have a sustainable fishery. Obviously, quotas and sharing total catches still pose problems. So the discussions must continue. We can't solve all the problems and have peace on the water. The discussions have to continue every year in order to solve the problems that arise from time to time and to improve fisheries management.

Ms. Michelle d'Auray: You asked a question concerning submarines. I don't know whether Mr. Da Pont wants to venture out on those waters, if you'll pardon that pun.

Commr George Da Pont: No. It's more a question of fisheries management, because that's one way of conducting studies.

Ms. Michelle d'Auray: We're going to toss the ball back and forth. So, Mr. Chairman, I would tell you that we don't plan to ask National Defence to be responsible for their submarines.

[English]

The Chair: I understand.

Mr. Blais, you have a minute and a half.

[Translation]

Mr. Raynald Blais: I'm going to talk about the small craft harbours file and dredging obligations. Every year, Quebec is stuck with this file because a lot of money has to be allocated to dredging because of silting and so on. One long-term solution would require more money immediately, but would make it possible to reduce the financial effort that has to be made for dredging every year. This activity costs more than \$1 million a year for Quebec.

Has your department examined this matter from the standpoint of long-term savings, or are you operating from a short-term perspective?

Ms. Michelle d'Auray: From year to year, we invest in the dredging of small craft harbours in certain sectors. As my colleague Mr. Hegge has told you on numerous occasions, it's always a gain for us to balance medium and longer-term expenditures to repair and do the necessary rebuilding in the harbours. We have to juggle the various pressures and the various factors. Year after year, we allocate approximately \$10 million to that, and, every time, we look at other ways of improving the situation, having regard to the amounts and funding available for this program.

[English]

The Chair: Thank you.

We'll go to Mr. Stoffer.

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

Correct me if I'm wrong, Mr. Da Pont, but last year an announcement was made about x number of millions of dollars for heritage buildings in Quebec City. That was for the coast guard, I believe. If I'm correct on that, can you tell me how money was allocated for that?

Commr George Da Pont: I don't have the exact figure with me, but that was funding for repairs to the coast guard base in Quebec City. I don't know the funds off the top of my head.

Mr. Peter Stoffer: If I'm not mistaken, it was around \$12 million or something of that nature. If it was \$12 million, what was the cost to repair the BIO and DFO wharf in Dartmouth? We understand that one of the reasons the ships were being moved to Newfoundland was because of that cost. If I'm not mistaken, those costs were estimated to be about \$6.5 million.

• (1030)

Commr George Da Pont: Almost. We are doing about \$10 million of work at the wharf in BIO to accommodate all the vessels, except for the two heavy icebreakers. Had we had to do the work on the wharf to accommodate the two heavy icebreakers, we would have had to spend at least another \$10 million more, over and above that.

Mr. Peter Stoffer: You indicated in a previous hearing that moving a ship to Argentia would be.... I'm not sure of the costs you said, but in St. John's the costs would be almost nil.

Commr George Da Pont: In both cases, the cost is very minimal. In St. John's we're going to use the existing facilities that are there at the St. John's base. In Argentia we estimated the cost would be about \$100,000 for electrical hook-ups and work of that nature.

Mr. Peter Stoffer: Thank you.

Mr. Bevan, you and I had a chat before, regarding my trip when I went to the high Arctic, regarding the 0A-0B line, of moving it to include the communities of Grise Ford, Resolute Bay, and Arctic Bay. I'm wondering if you could tell us what it would take to move that line in order that these communities and their fishermen would have access to some of the fish stocks in the 0A area.

As well, Bill S-215—I believe it's the number on the lighthouse bill—is coming before us in the House of Commons. I know that transcends various departments: Environment, Transport, and the coast guard, etc. Hopefully we can get that bill in this committee very quickly.

What role, Mr. Da Pont, would you be playing on that bill in order to get it forward so that we can protect the heritage of some of these lighthouses throughout the country?

Mr. David Bevan: Moving the 0A-0B line would be a significant bit of work. We share stocks with Greenland in that area. We are subject to receiving advice from the NAFO Scientific Council with respect to some of the species in that area. The whole convention there for NAFO would have to be reconsidered in terms of where they want to draw those lines, and that would be a fairly lengthy

process. There may be something else we could do in terms of licences, etc., but not in moving the line. That would be a major undertaking, and there's no way to guarantee the outcome.

Commr George Da Pont: In terms of the heritage lighthouse bill, that's actually the responsibility of my colleague, Mr. Hegge.

The coast guard interest is to ensure that we are able, obviously, to use them for our operational requirements as needed.

For the rest of the file, there is Mr. Hegge.

Mr. Cal Hegge (Assistant Deputy Minister, Human Resources and Corporate Services, Department of Fisheries and Oceans): The only thing I could add is that our minister, as you're probably aware, supports the bill. It is going to second reading today, I believe, and beyond that we're working very closely with our colleagues in Parks Canada around the designation, the actual definition of what would constitute a heritage lighthouse.

So everything seems to be moving at a fairly quick pace with respect to that bill.

Mr. Peter Stoffer: Wonderful.

Perhaps I could sneak a last question in.

As you know, 2004 was not a very good year on the Fraser River, and we had a Williams commission, if you want to call it that, afterwards. But those fish are now coming back, and it's 2008. Could you please let us know what the plans are for 2008, if indeed those fish stocks are not as good as we had hoped they would be?

Mr. David Bevan: Clearly the 2004 brood year was not a good year. We also are looking at significant changes in ocean survival in the Pacific. We've had different oceanographic conditions that the fish have been dealing with.

The current estimated return would not provide a lot of economic opportunities for commercial fishermen. We would probably be constraining the food, social, and ceremonial fisheries in the Fraser River on sockeye as well. So it's not looking like a very positive year, and that's assuming that the ocean survival is average. We won't know, of course, what's actually coming back until we've seen the test fishery results.

The Chair: Thank you, Mr. Stoffer.

Mr. Calkins.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Mr. Chair. If I have any time left, I'll be sharing it with Mr. Keddy.

I have several questions. The first question is about a concern from inland fishers. We heard testimony during our small craft harbours study, and I think this was talked about in previous studies, in regard to the bushing of fish. This happens when the Freshwater Fish Marketing Corporation isn't ready to receive certain species. There might be bycatch such as mullet, or a non-walleye or non-pickrel species, depending on what the board has for markets and so on. There is concern there, and there has been some call for a dual marketing or a flexible marketing program. That would allow some value-add on some of those species that are getting bushed right now. I'd like some clarification on whether that's being considered and whether the provinces have been asking for any consideration on that.

With respect to my second point, I have a county in my constituency that's in the process of doing some evaluations on river training. This river actually overflowed its bank, and if it weren't for a roadway, it would have gone in a completely different direction. It's a fairly large river—the Clearwater River. It's part of the North Saskatchewan headwaters. It would have actually gone into the Red Deer River, a completely different drainage change, if it weren't for a roadway that basically stopped it.

I know the county is looking at some things to get the river back into its original channel. So far they've had nothing but praise for DFO. DFO is doing a great job on that front, but they're concerned that there needs to be a bit more coordination with Alberta Environment as far as a single point to get these concerns dealt with. I will leave that with you for information.

The last question I have deals with counties, again. I represent a fairly large constituency, and depending where you are, access to gravel is becoming a major problem in Alberta. I know there's some talk about gravel mining in some of the rivers—the North Saskatchewan River, for example. I'm wondering if you could provide an update on whether the department is making it easier. Obviously we're concerned about it from a fish habitat perspective. Could you give me any information? I know it was talked about earlier today.

Those are my three comments, concerns, or questions.

• (1035)

Ms. Michelle d'Auray: Thank you, Mr. Chair.

With regard to the Freshwater Fish Marketing Corporation, a number of studies are under way since the appointment of the new president, who is very aware of the interest and opportunities that may be provided through dual marketing. He, with his board, is also considering opportunities for piloting some different approaches and partnerships.

That said, there is a significant role for the members on the board of that organization, a majority of whom represent the provinces and territories. Any shift or change in the direction of the corporation would need the full support of and would largely be initiated by the provincial and/or territorial members.

I have spoken to some of my provincial counterparts to encourage their active participation in the discussions surrounding the options for partnership or piloting that the corporation may want to consider in the near future.

I don't know whether you want to add anything.

Mr. David Bevan: I think it's clear that the Freshwater Fish Marketing Corporation is subject to the same kinds of pressures that the fishing industry is more generally. The increased Canadian dollar, competition from China, etc., have put a lot of downward pressure on prices paid to fishermen, and that always causes some concerns.

I think the general approach we took with respect to oceans to plate...maybe lake to plate is also needed. We need to look at a more integrated approach to management of fisheries and not leave the provinces to set quotas for the management regimes, the fishermen to fish, and then have the Freshwater Fish Marketing Corporation

buy that fish and try to get it to market. We need to try to integrate that process. That takes cooperation between the harvesters, the processor, in this case the FFMC, and the provinces in order to try to reduce waste and take advantage of the stocks that are there. We aren't fishing them to their maximum potential; they can sustain more harvest. They aren't being harvested at their sustainable level; we're under it at this point.

There's a lot of opportunity to improve performance, and that's reflected in some of the outcomes of studies looking at potential.

• (1040)

The Chair: Mr. Keddy.

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

Thank you to our witnesses.

I have a couple of questions. I want to pick up with Monsieur Da Pont on the movement of the icebreaker *St. Laurent*, in particular, and the large icebreaking vessels to Newfoundland. The minister appeared at a committee here about a year ago and at that time certainly reassured us there would be no loss of jobs, that the personnel onboard the icebreakers would be moving with them, and they would travel back and forth.

When you speak to the personnel themselves, they're worried their pensionable time may change and they could be in a different job category. Do we have some reassurance for these individuals that the job they're doing now and the rate of pay they're now receiving in their final years before they're pensioned off would remain the same?

Commr George Da Pont: We've made two specific commitments, Mr. Chairman.

First, we've given people a five-year transition period. Of course, anyone who is within two or three years of retiring and getting their pension will not be affected in any way because the five-year transition period is obviously quite a significant amount of time.

Second, we've also indicated to people that no one is going to lose their job and no one is going to be forced to move physically. We have a working committee of representatives of the employees with their bargaining agents, and we're looking at placing any individuals over the next few years into at least comparable jobs in the maritime region.

Mr. Gerald Keddy: The other question—if I can interrupt because I'm running out of time, Mr. Da Pont—will be on the midshore vessels that will replace some of these heavier ice vessels. When can we expect these midshore vessels in Nova Scotia in particular?

Commr George Da Pont: The request for proposals closed a couple of weeks ago. The bids are now under evaluation. I hope we will have contracts issued this year, and we still hope the first vessel will be delivered in 2010.

Mr. Gerald Keddy: That is excellent.

Mr. Bevan, in checking out the COSEWIC website, the Committee on the Status of Endangered Wildlife in Canada, and I know you're very familiar with them, they now have the possibility of listing Atlantic halibut and bluefin tuna. I'd like the department's thoughts on this.

Certainly Atlantic halibut in my area is a very good fishery and one that appears to be thriving. Is there a possibility of being listed? There are areas in eastern Canada, particularly in southwestern Nova Scotia, where there is a fair concentration of halibut. Why would we paint the entire area with one brush? Where are they going with this? Especially on tuna, how do we list tuna?

Mr. David Bevan: Tuna is an iconic fish and it is obviously in trouble. Canada has worked with some of the other countries in ICAAT to try to prevent setting quotas too high. We have not been successful. It's been fished to a level much higher than scientists advise and it's also been overfished. More fish are being taken than is set in the quota. It has some significant issues.

We are going to be noting to COSEWIC that Canada does not manage that fishery alone. It's a highly migratory fish population that goes from one side of the Atlantic to the other and through many EEZs. It's not something we could put a rebuilding plan in on our

own. Perhaps COSEWIC should be informed of the limitations of a Canadian response. We think it's best to work within the international community to try to achieve the necessary conservation outcomes.

With respect to halibut, we'll have to see what approach will be taken in terms of how they'll identify the various populations. We will provide information to COSEWIC to ensure they have the best information from DFO science as they go through their deliberations.

● (1045)

The Chair: Thank you, Mr. Bevan.

Thank you, Mr. Keddy.

That concludes our time. We have a few minutes of committee business we have to deal with. We'll take a two-minute recess and reconvene.

Thank you again to our witnesses for their presence here this morning.

[Proceedings continue in camera]

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