



House of Commons
CANADA

Standing Committee on Fisheries and Oceans

FOPO • NUMBER 017 • 1st SESSION • 38th PARLIAMENT

EVIDENCE

Tuesday, December 14, 2004

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Chair

Mr. Tom Wappel

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Tuesday, December 14, 2004

•(1100)

[English]

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

Pursuant to Standing Order 108(2), we have a briefing session on the report of the Commissioner of the Environment and Sustainable Development to the House of Commons for the year 2004.

Our witnesses today include, from the Office of the Commissioner of the Environment and Sustainable Development, Johanne Gélinas, commissioner. Welcome. From the Office of the Auditor General of Canada we have Ronald Thompson, assistant auditor general, and Gerry Chu, director. From the Department of Fisheries and Oceans we have Larry Murray, deputy minister; Jean-Claude Bouchard, associate deputy minister; David Bevan, assistant deputy minister, fisheries and aquaculture management; and Serge Labonté, director general, science. I think I've mentioned everybody.

As usual with this committee, I'm afraid, there are a couple of matters I need to address before we call on you to give your presentation.

First, I wonder if I might ask Mr. Bevan or the deputy minister this. When we were in Vancouver, Mr. Sprout promised he would do his best to get some documentation or some facts and figures—I can't really remember what it was exactly—and he said he would try to get it to us this week. I'm wondering if any of you know whether he was able to get it to you and whether you have it.

Mr. Larry Murray (Deputy Minister, Department of Fisheries and Oceans): I'm not sure, Mr. Chairman. I just got a detailed update on what we have and haven't completed in response to the committee, but in relation to that specific question, I'm not sure. We have our staff here, and I'll get an answer for you in the next few minutes.

The Chair: As you're about to find out, there's a little bit of time, so you can check with your staff and go from there.

The second item, as long as you're here, deputy minister, will save postage and everything else. When we were in Vancouver, we ran into a situation I want to mention to you. I mentioned to Mr. Sprout that on behalf of the committee I would be writing to you about it. Instead of writing to you, I'm just letting you know that we were most disturbed to find that the presentation offered by the Department of Fisheries and Oceans in Vancouver was in one official language only, in this case English. While we didn't find anything unusual with other witnesses having an opening statement in one language or the other, we certainly found it inappropriate that

a department of government would come to a hearing for which they had at least enough time, I would hope, that they would be able to provide remarks in both official languages.

This was a problem. Obviously the witness was able to give the evidence, but we were not able to distribute the actual written document, and therefore the members did not have the benefit of being able to follow the comments and make notes on the side, because the document was simply not there. I just wanted to let you know, on behalf of the committee, that this is totally inappropriate. I would appreciate it if you would, in whatever manner you do as deputy minister, ensure that when there are departmental officials appearing before parliamentary committees—except if it's at the last second when it's physically impossible, in which case they should apologize to the committee and explain why it was physically impossible.... In the absence of a reasonable explanation, I would appreciate it, on behalf of the committee, if you instructed the department that any time they're appearing before a parliamentary committee—and that goes for the Senate, I presume—the written documentation, the speech or whatever it is, should be in both official languages.

•(1105)

Mr. Larry Murray: Thank you, Mr. Chair. On behalf of the department, I apologize. You certainly can be assured I will do my utmost to ensure it doesn't happen again. Thank you.

The Chair: Thank you, sir.

We had a bit of an interesting meeting on Thursday, colleagues, and I made a ruling. I undertook to check the blues, and I have checked the blues. I'm not going to go over everything, but I just want to read a limited portion of the blues.

You will recall that I as the chair made some remarks about the wording of the motion Mr. Cummins had put forward, and in the conclusion of my remarks I said:

That said, I am not ruling the motion out of order. I am simply indicating that, in my view, the motion is procedurally extremely weak, and it would be a very unwise thing for the committee to pass the motion at the present time in its current wording.

Then there's some discussion about the suggested wording I put forward, and I read the motion as I suggested the wording should be. Mr. Cummins says, "I would accept that motion"—"that" being the wording I had suggested:

I could live with it. I think it's appropriate. It certainly wasn't my intention to impugn Mr. Williams through any negatives. It was just to say that there is a perceived bias there, and I think he should be removed from the committee.

In my view, the motion should be direct, and should say that he be removed, but I'm perfectly willing to accept it as it is.

Whereupon I said: "Then let's not waste any more time. At this point I want to ask the question, does Mr. Cummins have unanimous consent to withdraw his motion?" The answer was yes, and the motion was withdrawn.

And here comes the cake:

The Chair: So there is currently no motion on the floor. Will the committee give its unanimous consent to put on the floor the motion that I've just discussed?

Mr. Gerald Keddy: I have another motion I'd like to suggest.

The Chair: By all means, Mr. Keddy, go right ahead.

Mr. Keddy: I'll give the motion and then discuss it. I guess that would be the proper way to go about it.

The Chair: Are you moving a motion, Mr. Keddy?

Mr. Keddy: Yes, I would move a motion.

The Chair: You would move a motion. Okay.

And then you did. It wasn't an amendment to a motion. It was a motion. End of story.

Now, we have quorum.

I'm sorry, but we have a motion we have to deal with. We can deal with it while you're here, so by all means we'll go ahead and deal with it.

I think colleagues have the substance of the motion in front of them. I'll read it. This is moved by Mr. Keddy:

That, in light of the concerns expressed by stakeholders in the Fraser River sockeye salmon fishery, the Committee recommend to the Minister that he review the appointment of Bryan Williams as the chair of the 2004 salmon post-season review to be conducted by the Integrated Salmon Harvest Planning Committee.

Bearing in mind that we have important witnesses today, is there any discussion on the motion?

Mr. Keddy.

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

It was obvious, I think, to all the committee members at that meeting—and thank you very much for your clarification, because quite often discussion goes forthwith at committee, and you're not exactly certain what has been said or not said—that because of the way Mr. Cummins' motion was worded it would have been very difficult to support that motion. Since there was not unanimous consent for him to give that motion, we had to present another motion.

I was trying to present a motion that didn't have quite the same timbre, if you will, that Mr. Cummins' motion had; that was a little softer, but also reflected what we heard over and over again from every stakeholder group in British Columbia, or practically every stakeholder group: that there was some concern with Mr. Williams' appointment.

This leaves the minister with an open door, but also conveys the message directly to him that he should at least review this appointment.

● (1110)

The Chair: Thank you.

Is there any other discussion?

Mr. Cummins.

Mr. John Cummins (Delta—Richmond East, CPC): Mr. Chairman, as my colleague mentioned, there is a perceived bias felt with commercial salmon fishermen and the sport fishermen, as we heard at the committee. I just want to very quickly list the objections and the concerns I have with Mr. Williams. This will be quick.

The Chair: Excuse me, Mr. Cummins. Is that necessary, given that you already did that when we were questioning Mr. Bevan and others on the estimates?

Mr. John Cummins: Well, I think it is, because there are some members who weren't here. I'm going to be very quick—

The Chair: All right.

Mr. John Cummins: —but I think it's important. These are in no particular order.

In the first instance, Mr. Williams was a member of the law firm Swinton & Company, who were listed in 1994 as federal lobbyists for the Gitwankak Indian Band.

Secondly, on Delgamuukw, Mr. Williams in fact was part of a group that was suing the Province of British Columbia on behalf of a Delgamuukw client, and then he switched sides to act for the government. B.C. wanted to lose the case on appeal, a case that it had won at trial. In so doing, it would claim that the court was requiring it to do what it wished to do anyway and that was something that was not popular with the public. It is generally considered unethical to intentionally lose a case even if your client wants you to do so. Mr. Williams was the lawyer at note on that issue.

There is the matter of the EAGLE law society. Mr. Williams is a contributor and adviser to the EAGLE law society.

In the Neskonlith and Adams Lake Bands Thompson River coho fishery case, EAGLE sought an injunction to shut down the commercial and recreational fishery. While it lost in court, it eventually got DFO to enter into an agreement that largely had the same effect. It was not an injunction to that. It would have required DFO to ensure that coho were able to get through the Fraser Canyon unmolested by nets. It was directed at the commercial and recreational fishery—again, a bias on the part of Mr. Williams. It should be noted that I have lodged a complaint with the law society about Mr. Williams' participation in this issue as well.

On Mr. Williams' resignation from the Supreme Court of British Columbia—and this is directly from an article that appeared in *The Province*—

Last month, Dosanjh announced that former B.C. Supreme Court chief justice Bryan Williams would lead a commission of inquiry into the Carrier saga.

Now it turns out Williams once acted as a lawyer for the native bands involved in the case. Faced with an apparent conflict-of-interest, Dosanjh may be forced to hire a new commissioner.

In fact, he did. Mr. Williams stepped down.

I just mentioned that he had acted for Indian bands interested in the Fraser River fishery. In the Carrier lumber case, when that sort of conflict became apparent, Mr. Williams stepped down. In this instance, he hasn't.

When Mr. Williams resigned as chief justice, there were a lot of issues circulating about why he was resigning. There was a matter of pornographic material that appeared on his computer. In his resignation, he just simply denied it but never pursued the issue. He had difficulty with the executive committee, which managed the affairs of the court and which he chaired. That was one of the problems that he listed in his resignation, his inability to work with this executive committee of justices who were to manage the affairs of the court.

On the court of appeal, it was due to his perceived bias on aboriginal resource cases that he as chief justice lost his ability to assign cases on aboriginal and resource cases.

Mr. Chairman, this committee that is now charged with the responsibility of investigating the problems on the Fraser River this summer has an onerous task. It in fact is a committee of victims of the accident and they're being asked to investigate the accident, which in itself is highly appropriate, but when you add on to that the difficulties that are going to be faced by the chair of that committee, and in this instance, former chief justice Williams, I think the committee will not be able to function appropriately.

• (1115)

I think it only appropriate that this committee ask the minister, as the motion suggests, to have former chief justice Williams step down.

The Chair: Thank you.

Is there any other discussion?

I am constrained to point out as the chair that in Vancouver we had 44 witnesses, give or take a witness. It is fair to say that the commercial and recreational industries had some concerns about Mr. Williams. That represents about 15 to 20 witnesses. It is not fair to say that virtually every witness was against Mr. Williams. Virtually half expressed no opinion.

That's simply for those members who weren't there.

Shall I call the question?

Mr. John Cummins: As just a point on that, Mr. Chairman—

The Chair: Yes.

Mr. John Cummins: —the commercial industry essentially has withdrawn from the committee. Between the commercial fishing industry and the sport fishing industry, these are the people most affected. They have expressed their concern.

I talked last night on the phone with the representative from the Native Brotherhood, which is the native organization of commercial fishermen. They have concerns about Mr. Williams chairing that committee, as they expressed.

The Chair: Yes, they did express that.

Mr. John Cummins: And there are others as well. So the only support that the minister was able to point out in the document he made available, at least to us, when this matter was discussed was that there was support from one environmental organization and one sport fishing organization, although the letter-writer in that, Mr. Kristianson, was supportive of the appointment, but Mr. Kristianson is a well-known supporter of Mr. Anderson and the Liberal Party, so we weren't surprised by that.

But Bill Otway, the B.C. Wildlife Federation, and others do not support the recommendation of Mr. Williams.

I haven't even gone into—and I didn't—Mr. Williams' connections to the Liberal Party, but the fact of the matter is that when he was appointed chief justice, there was discontent in the court because it was felt that his was a political appointment.

I stayed away from that in my previous remarks because I wanted the committee to recognize that this was an important issue, not for political reasons but for the reasons beyond politics. That's why I purposely stayed away from that issue, but it's part of the puzzle that's there as well.

The Chair: I'm not entering into any debate with you, Mr. Cummins. I simply wanted those who were not in Vancouver to know that it is true that certain stakeholders, as identified by Mr. Keddy, did express concern, and that others expressed neither concern nor contentment, just so we're clear on the record.

I'll call the question.

(Motion negated: nays 7; yeas 4) [See *Minutes of Proceedings*]

• (1120)

The Chair: Let's get on with business.

Thank you very much for your patience, witnesses.

We will now proceed to hear first from the Commissioner of the Environment, then Mr. Thompson, if he has any comments, and then from the Deputy Minister and anyone else from the ministry.

Madame Gélinas, without further ado, *s'il vous plaît*.

[*Translation*]

Ms. Johanne Gélinas (Commissioner, Office of the Commissioner of the Environment and Sustainable Development): Good morning Mr. Chairman. Good morning members of the committee. Thank you again for inviting us here today. Joining me at the table are Ron Thompson, who has been the Assistant Auditor General responsible for Fisheries and Oceans Canada audits, and Gerry Chu, the director who conducted the audits we will be discussing today.

Last month, we presented the parts of my 2004 report where we found problems and issues with the programs and responsibilities of Fisheries and Oceans Canada.

Two weeks ago, Ron Thompson appeared before your committee in Vancouver to discuss issues on the 2004 Fraser River sockeye salmon harvest. During that hearing, you heard from many sources about their concerns with the department.

We are very pleased that the committee will consider our findings with departmental officials. Hopefully, an implementation plan to address our findings and recommendations, with specific timelines, will emerge over the course of this hearing.

Today, I would like to remind you of our findings from this year and then highlight a helpful tool that is part of the Auditor General Act.

Chapter 5 of my 2004 report is a follow-up to assess the progress being made by the department on the key observations and recommendations from our 1997, 1999, and 2000 audits on salmon stocks, habitat, and aquaculture.

[English]

Overall, we are not satisfied with the progress being made by Fisheries and Oceans Canada in responding to the observation and recommendations. Some Atlantic and Pacific salmon stocks are in trouble, and we continue to identify significant gaps in managing risks.

Specifically, the department has not finalized the wild salmon policy, which would set out the necessary objectives and guiding principles for fisheries and resource management, habitat protection, and salmon enhancement. There are shortcomings in information on salmon stocks and habitat. There are also significant gaps in scientific knowledge on the potential environmental effects of salmon aquaculture in aquatic ecosystems. There are weaknesses in regulatory approvals, enforcement, and monitoring of salmon aquaculture operations, including site application approvals, assessing cumulative effects, and preventing harmful destruction of habitat. Finally, there has been inadequate coordination between federal and provincial governments in managing fish habitat, research, site applications, and information sharing.

A common theme that runs through all our concerns is simply how long it takes the department to produce results. This prompts many questions. Why is everything so slow? Is the lack of an effective response related to the complexity of the subject matter, or the lack of priority or action plans? Or are there more pervasive root causes?

I want to end my presentation by highlighting a tool that this committee, and indeed the department, could use to address these issues. In 1995, changes to the Auditor General Act required all departments to develop a sustainable development strategy and update it every three years. The latest strategies for all the departments, except Fisheries and Oceans Canada, were tabled in February 2004. The department indicated that it was in the process of a major review of its programs, services, and expenditures, and would update its strategy once it had the results of that work.

This delay means that the committee has an opportunity through its present work and reports to guide the department's strategy. Its sustainable development strategy should address the root causes of the problems highlighted by our reports and the committee's hearings. Further, this committee will be able to use the strategy to monitor and assess progress on all of the issues. I cannot think of a better opportunity for a well-thought-out strategy to be more effective, timely, and useful for the department, the industry, fishers,

the committee, Parliament, and Canadians. In short, this is a golden opportunity to bring the various pieces together.

● (1125)

[Translation]

As a final observation, Mr. Chairman, I would like to emphasize that Fisheries and Oceans Canada has not only the job of sustaining the fisheries, but also the fish, the fish habitat, the environment, and, indeed, the livelihood of those who depend on fish.

But its track record on timely delivery is not promising. As in so many other areas of my audit work, there is a significant implementation gap that is growing into a credibility gap.

This committee can really help rectify this situation and hold the department to account. The committee could ask for action plans from the department to address the recommendations and observations we have made, and to identify what the department will do to address the root causes of the issues and problems raised in your hearings.

[English]

Mr. Chairman, this concludes my opening statement.

Thank you.

The Chair: Thank you, Commissioner.

Mr. Thompson.

Mr. Ronald Thompson (Assistant Auditor General, Office of the Auditor General of Canada): Thank you, Mr. Chairman.

I have nothing further to add at this point.

The Chair: Very good, thank you, sir.

I'm informed that because the console operator cannot see the faces of the witnesses, we would request that the members who are addressing questions either address them specifically to a witness or indicate that it's a general question, and that those who wish to respond don't touch their mikes, just put up their hands, and then the console operator will be able to adjust the appropriate mike.

It's like it was in Vancouver, where they had to face the witnesses, but they couldn't see me.

Deputy Minister.

Mr. Larry Murray: Thank you very much, Mr. Chair.

I'd like to introduce Dr. Wendy Watson-Wright, who has arrived and has replaced Serge Labonté. She's the ADM, Science.

I might begin, Mr. Chair, just by a brief response to your opening question to me. To avoid the situation we got into last year we actually have a three-and-a-half-page update on our sense of where we're at in terms of follow-up to the committee, which our staff will share with the clerk on conclusion of this session.

In relation to the specific question that you asked, we need to contact our B.C. office after this meeting. I think the question you referred to was a comparison of the 1986-87 season to the 2004 season, and I don't know where that's at in terms of being completed. But we would add that to this list and certainly get you the information either at the end of business today or as soon as possible.

The Chair: Yes, and in particular anything to do with west coast salmon we would like as quickly as possible so we can include the information in the report we're going to be preparing.

Mr. Larry Murray: Thank you very much, Mr. Chair.

I have actually tabled opening remarks *en anglais et en français*, and perhaps I would just do a *précis*, given the time, Mr. Chair.

Certainly I appreciate the opportunity to be here once again before your committee with some of my colleagues, and pleased that we're joined by the commissioner and her team, and Ron. We certainly appreciate their efforts and those of the committee and we acknowledge there is room for improvement in meeting the objectives that we all share in the interest of Canada and Canadians.

The first series of my remarks actually touched on the complexity of the fishery, on some progress we believe we have made in terms of fish management, and highlighted the fundamental importance with which we view the fishery on the west coast. And finally, it talked a bit about the progress in the development of integrated salmon management plans.

I think one of the major issues that the department was criticized for was the slowness in producing a wild salmon policy. I would just like to highlight that the minister will release DFO's long-awaited wild salmon policy very shortly for consultation. The policy will describe objectives, highlight principles, and define strategies to conserve and manage Pacific salmon in the years to come. There are a number of other efforts under way that I think will address some of the commissioner's concerns: the Pearse-McRae report, which I think the committee is aware of, and the complementary first nations panel report. Both those reports are currently under consultation with first nations and other stakeholders. Certainly, as all of you are well aware, the minister recently announced an independent post-season review for salmon in southern B.C. We believe that all of these initiatives will result in changes and improvements for the 2005 fishing season and beyond.

There is also, I think, as mentioned at the minister's main estimates session, movement on a related and broader fisheries renewal initiative, and certainly the minister looks forward to working with this committee and to receiving your advice on how to best to accomplish the objectives of that broader fisheries review.

There were a number of concerns and comments around aquaculture development. There is a portion of my remarks that talk to the fact that we are trying to make progress in that area. Certainly we will be moving forward with the development of a national aquatic animal health program. We're working closely with the Canadian Food Inspection Agency on that, and a framework agreement on aquaculture among federal, provincial, and territorial governments to enhance work that is already under way to better harmonize our activities with the provinces and the territories.

There are also some examples in my remarks about the fact that we have been, I think, working fairly hard to try to move forward on the science side of aquaculture; it's not that we've achieved perfection, but there's a fair amount of work under way that you can see in my remarks. We have also been working hard in the last two years to produce a more consistent approach to aquaculture site

approval with specific criteria and environmental standards. More broadly,

• (1130)

[Translation]

we are taking measures to modernize and rationalize regulatory programs to protect social and environmental interests, and we encourage the development of a dynamic industrial sector..

[English]

The Chair: Excuse me, Deputy Minister. We did take up some of your time with our procedure, but we are not in a huge rush. You could slow down a little bit, because it's a little difficult for the interpreters. We're not putting you under a gigantic time constraint.

Mr. Larry Murray: Thank you, Mr. Chair.

[Translation]

To this effect, we recently launched the environmental modernization process, whose objective is to improve the efficiency and effectiveness of our activities in exercising our regulatory functions.

We are also working on the harmonization of federal, provincial and territorial environmental assessment processes and are making adjustments to our Habitat Management Program so as to put the emphasis on the activities that are the most threatening to fish habitat.

All our work in this area will continue to rely on a close collaboration with provincial and territorial governments, Natives, and other stakeholders.

[English]

In relation to the comments on the sustainable development strategy, we have had two previous strategies out. We agree with the commissioner that the next document, which should be released by March 31 of next year, will address those issues that have been highlighted by the commissioner, such as wild salmon policy and some of the aquaculture challenges. In this report we will also strive to better integrate the sustainable development strategy into the business and planning of the department.

In her most recent report the commissioner indicated that her recommendations have not been acted upon in a timely manner. In that context I'm pleased to report to you that our departmental audit and evaluation committee, which I co-chair with the associate deputy minister, has a schedule in place for mandatory updates on all audit reports and recommendations. We believe this approach will help to ensure ongoing monitoring of progress in areas that are highlighted by various audit reports.

Finally, we all recognize that DFO cannot solve these issues alone and must work collaboratively with the provinces and territories to achieve the necessary change, and the minister has been leading the way in that regard. He met in September with all his provincial and territorial counterparts in Whitehorse in the Yukon, he met in November with all the fisheries and aquaculture ministers of the Atlantic provinces, and he will meet this Friday in Vancouver with the fishery and aquaculture ministers of British Columbia and the Yukon. All of those various ministers have indicated their desire to work with us to help ensure the sustainable development and safe use of Canadian waters.

Thank you very much, Mr. Chair. Merci.

● (1135)

The Chair: Thank you, Deputy Minister.

Does anyone else have any opening remarks from the department? No? Then just before I ask if the commissioner or Mr. Thompson have any comments on your comments, could I ask a couple of clarifying questions?

First, on page 5 of the English version of your remarks you say the minister will release DFO's long-awaited wild salmon policy shortly for consultation. Two questions arise out of that. If it's a policy, then what's with the consultation, or is it a suggested wild salmon policy? If so, then I assume you have consultation and then you develop the policy after the consultation. The second question is, how long is the consultation?

Mr. Larry Murray: Because of the nature of this policy and the importance of it, Mr. Chairman, the minister would be releasing what I would call a draft policy. Right now we're looking at about one month of consultation and then finalizing the policy immediately thereafter.

One of the reasons for the delay in this policy has been the complexity of it. There are some fairly significant issues involved in conservation units and so on, so the minister does wish to have the advice of stakeholders before actually finalizing the policy in its final state.

The Chair: Not to put too fine a point on it, I think this is a good example of what I think the commissioner—and she can correct me if I'm wrong—and the Auditor General find so frustrating. For years we have been told that a wild salmon policy is coming, then we heard in estimates that a wild salmon policy would be here by the end of the year. Now you're telling us in your opening remarks that the long-awaited wild salmon policy will be released shortly, and now we find out that it's in fact a draft policy. At least we have your evidence now that it's going to be about a month more after that, and then there will be a final policy. But that has to be frustrating to people who are continually waiting for a policy, continually being told that a policy is coming, only to find out that it's not a policy.

That's an editorial comment. And please jump in, Madam Gélinas, if you disagree with anything I've said.

Finally, for me, before we get to questioning, on page nine, Deputy Minister, you indicate that you have a schedule in place. I have no way of knowing whether this is an appropriate or inappropriate question or whether that's an internal document, but is it a schedule that you can make available to this committee?

Mr. Larry Murray: Absolutely, Mr. Chairman.

The Chair: Great. Then why don't we do that and then we can keep our eyes on how the schedule is going.

Did Madam Gélinas or Mr. Thompson have any comments on the comments of the deputy minister?

Very good, thank you.

Sorry, colleagues, I wanted to get those two matters straightened out.

I will now go to questioning. I want to remind members that we're using the order of questioning that we have passed, as revised. However, for those of you who weren't here, Mr. Stoffer made an impassioned plea that we review this, so we will do so when we return at the end of January. We will review the order of questioning, etc. It may end up being the same, but at least we will revisit it.

For today, which is our last meeting of 2004, we will go with the questioning order that is already in place. That is: Mr. Keddy for ten minutes; Monsieur Roy for five minutes; someone from the Liberal side for ten minutes—Mr. Murphy, probably, or Mr. Cuzner, you guys can think about it; then we have five minutes for the Conservative Party; five minutes for the Liberal Party; then Mr. Stoffer.

Away we go, Mr. Keddy.

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

I'll be sharing my time with Mr. Cummins. He has to leave, and actually I have to leave as well. However, you certainly have full authority to cut Mr. Cummins off after five minutes.

Mr. John Cummins: Very quickly, Mr. Chair, I appreciate your asking about the Sprout documents, but at the meeting of October 26 I had raised the issue of a letter from Senator Caldwell of Washington State and was advised by Mr. Bouchard that there would be an explanation to the committee as to why they believed they had lived up to the commitments made by the former minister. I don't think we've received that, have we?

● (1140)

The Chair: Mr. Bouchard.

Mr. Jean-Claude Bouchard (Associate Deputy Minister, Department of Fisheries and Oceans): My notes say that the reply signed by the minister was delivered to SCOFO today.

The Chair: Okay, so we don't have it.

Mr. John Cummins: The other question I have, Chair—

The Chair: By the way, I won't take that off your time of questioning, because that's reasonable. Go ahead.

Mr. John Cummins: Thank you, Mr. Chair.

Mr. Murray, in his remarks here, listed as an example of progress the Pearse-McRae report. That strikes fear in the hearts of many, because we are aware of the progress that was made on the so-called Mifflin plan back in 1996 in which industry was promised all sorts of increased access to the fishery. The result has been, on the Fraser River, for example, two-day and three-day seasons on sockeye or no fishing at all in a couple of years. We're rather concerned about this, because Dr. Pearse...if anyone's been an architect of the failures on the west coast in the last twenty years, it's him.

I'd like to know how or why you classify this Pearse-McRae report as progress. How are you defining progress here?

The Chair: Are you referring to the deputy minister here?

Mr. John Cummins: Yes.

The Chair: Deputy Minister.

Mr. Larry Murray: Thank you very much, Mr. Chair. I will maybe start, and I might then ask David Bevan to leap in.

I would say it's progress in the sense that there has been a great deal of concern about predictability. This Pearse-McRae report was the result of an agreement between the Province of B.C. and the federal government to actually come at the issue of trying to establish where the fishery would go, given the uncertainties around the treaty process, first nations, and the other sectors. The report was completed on time and on budget. It's being consulted, and elements of it are actually very much in line with the parallel first nation report. It sets the groundwork to move forward.

I would agree that moving forward in a meaningful and concrete way is really essential, so in that context I agree with what I interpret to be the concern in the question. But I would argue that the study done by Don McRae and Dr. Pearse and the consultations generally—although they're a little bit all over the map—have been quite positive and quite constructive. This does provide us with the ability to move ahead in a manner that it isn't just us in isolation trying to find a path forward.

Mr. John Cummins: In your definition, isn't moving ahead really just the ability to transfer access to the resource from the commercial fishery to natives and treaty a whole lot more cheaply as a result of this Pearse-McRae report? Isn't that really what it's all about?

Mr. Larry Murray: From my perspective, Mr. Chair, the study is an effort to try to move the B.C. fishery forward in a fair and equitable manner to all Canadians in B.C.

Mr. John Cummins: I would be hard-pressed to find anyone in British Columbia who would believe one word of that last comment, Mr. Murray.

Mr. David Bevan (Assistant Deputy Minister, Fisheries and Aquaculture Management, Department of Fisheries and

Oceans): I think there are some things in the report on which I am fairly confident that many people in British Columbia would agree, and that is that the salmon fishery is in deep economic trouble

Mr. John Cummins: Thanks to the department.

Mr. David Bevan: Thanks to the department...? Perhaps not, in our view. But certainly in the context of the status quo, if we manage the way we do now, the salmon fishery will not be able to continue.

We have additional pressures on us due to the Species at Risk Act, and through the wild salmon policy, when that comes out, which will identify how we hope to maintain biodiversity and sustain the fishery. We are not likely to be able to do that in the face of the current practices, and we do need to consider new ways of managing the fishery.

We have received numerous letters in support of us moving ahead with the implementation of the Pearse-McRae report, because of the fact that those who are writing the letters can recognize they aren't going to survive much longer if we don't make some significant changes, and not just tinker around.

I don't believe we can say that there is a Machiavellian plot to reduce the cost of transfer of access from commercial to aboriginal fisheries. I think you can see that in the context of the aboriginal report, *Our Place at the Table*, which indicates they're not in favour of moving ahead with Pearse-McRae because they're concerned it will actually increase the cost.

Those are issues that I think we have to consider, and I don't believe this fishery can be sustained much longer, given the current management practices and the current ecological challenge at every phase.

● (1145)

Mr. John Cummins: Mr. Bevan, let me just say very briefly that the words "I'm from Ottawa and I'm here to help" strike terror into the hearts of British Columbia fishermen. And you've done nothing this morning, or ever, that I can recall, to reduce that.

The Chair: Are there any other questions?

Mr. John Cummins: No.

The Chair: That's it.

Are you leaving, Mr. Cummins?

Mr. John Cummins: Unfortunately, I have to, yes. I would be delighted to stay here, but...

The Chair: Merry Christmas, happy new year, and have a safe trip.

Go ahead, Mr. Keddy, for five minutes.

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

Welcome to our guests here. I certainly extend the very best of holiday best wishes to all of them.

You guys have a tough job. I think we all understand that at the table. You can't please everybody. But one of the great difficulties that I have with the overall management of DFO, and I don't think we can get any closer to the top, is that it seems the little things get left undone. That dovetailed relationship you have with provincial governments, the departments of environment provincially, the other federal departments, and the Navigable Waters Protection Act has a lot of difficulty in resolving fairly simple issues.

After the floods two years ago in Nova Scotia, there were not one or two but dozens of examples of houses that had bridges washed out on the way into them, cottage communities, some 40 and 50 full-time residences that because of the Navigable Waters Protection Act couldn't put bridges in. There was no ability of the local fire departments to reach those residences. Many people had to walk. There was no accessibility for ambulances.

It would seem to me that the department and the minister should have been able to resolve those types of issues quite quickly and clearly and concisely, and there just seemed to be a total inability to do that. Somebody, somewhere, whether it's your regional director in Atlantic Canada or your regional director in Nova Scotia, has to have the ability to look at these issues and make intelligent and practical decisions regarding them, and that's not there.

My next-door neighbour walked back to his house for six months. There was no ability for a fire truck to move in there because of fisheries and oceans regulations and an inability to get a permit to build a bridge—let alone follow the orders. So that's a grassroots issue that breaks it down from the big overreaching, overall issues that we're dealing with here today. But on a practical front and at the basic level, there's really a problem with your delivery.

The other question I have for Mr. Murray is this. Is it still DFO policy that every time a member of Parliament calls—or at least when the member of Parliament from South Shore—St. Margaret's calls—your DFO official has to fill out a form saying a member of Parliament called and has to write down what that call was about, who he talked to, and how it was dealt with?

Mr. Larry Murray: In relation to the first question, I can't comment on the details, which are no doubt justified. From my perspective, I would want to put on the table firstly the response that if we're talking about the hurricane, people at all levels really did work extremely hard to try to deal with the issues, whether it was small craft harbours people or whatever. Clearly, they weren't all dealt with satisfactorily, but there really was an effort by employees to do as good a job as possible in difficult circumstances.

In relation to the Navigable Waters Protection Act, that has been transferred to Transport Canada, but the kinds of difficulties referred to here were really part of the reason for launching the environmental modernization process I referred to in my remarks, because I would say the criticism is certainly valid from the citizen's perspective. So we have tried to move this forward. The NWPA has moved back to the Department of Transport, but at a regional level we're trying to maintain the same kinds of contacts as we previously had, to the extent possible, to try to reduce or in the best case eliminate some of the frustrations that have been referred to.

In relation to the second question, the policy remains a policy, but it's really an effort to ensure that the MP in question gets as much information as is humanly possible, so that if there is more information.... And indeed the minister, in my view, wants to ensure that his colleagues are properly supported as well. This is an effort to try to ensure that the department delivers coherent, sensible, and comprehensive information to MPs across the country. I regret if it's causing problems, but really that is the minister's intent.

● (1150)

The Chair: Last question.

Mr. Gerald Keddy: A point and a question. From my point of view as a member of Parliament, I find that it really restricts the amount of information and quite frankly it appears as a way to muzzle employees.

My last question is on northern cod stocks, especially the 3NO stocks that are mentioned and have been under moratorium since 1994. I would like some information, if I could get it. I'd like a list of all the openings.

There's been no opening of 3NO stocks, but there certainly has been a fishery of adjacent stocks. There was a fishery in 1997 prior to the election. There was a fishery in 2000 prior to the election. Of the amount of fish that was taken and the amount of fish of those adjacent stocks, like 3Ps, 4Vn, the rest of those, that total northern cod stock, how much of that is actually fish? How much of it is allowed as bycatch? How much of that is caught outside the 200-mile limit? With respect to all those players in that fishery, I'd like to know exactly how much of that resource and that stock we're taking out, and how much was allowed in those openings.

Mr. Larry Murray: Thank you very much, Mr. Chair.

To go back to the point about the MP information, I'll make a commitment. It's certainly not the minister's intent, and it's not my intent. We'll go back and see how to communicate it—

Mr. Gerald Keddy: I appreciate that.

Mr. Larry Murray: —or if we can improve the impact it seems to be having out there, because that's not the intent.

In relation to northern cod, what I would suggest—I'll ask David Bevan and Wendy to respond now—is you might like a more comprehensive answer that we could give you on paper.

Mr. Gerald Keddy: Yes.

Mr. Larry Murray: But we'll start with a verbal, and if at the end of that you want more follow-up, that's fine.

Mr. Gerald Keddy: A follow-up.

Mr. Larry Murray: Thank you.

The Chair: Mr. Bevan.

Mr. David Bevan: I just want to make sure we actually understand your question. You're asking about fisheries adjacent to 3NO specifically.

Mr. Gerald Keddy: Yes, the difficulty I have with the whole moratorium on the 3NO stock is it's fine to say they haven't been fished since 1994, but adjacent stocks have been fished and those are all part of 3NO stocks.

Mr. David Bevan: That's correct—well, not quite correct—in that the latter—

Mr. Gerald Keddy: They do swim.

Mr. David Bevan: But we have had fisheries on the south coast of Newfoundland and those have gone from 10,000 to 20,000 to 30,000 tonnes back down to 15,000 at the current time. There has been a fishery over that timeframe on the northern cod stock 2J3KL that started and was ratcheted down again to a moratorium, and last year's estimates are that about 500,000 tonnes were caught in bycatch.

There has been no cod fishery on 4VsW stocks. That stock is in decline, notwithstanding the moratoria and notwithstanding the fact that there's not a lot of other groundfish caught in that area. So that one has been under decline.

One of the issues around 3NO cod is that it hasn't been under moratoria in the strictest sense. It has been subject to bycatch or directed bycatch by both Canadian and foreign vessels. We aren't absolutely clean on this. There have been charges laid against Canadian vessels for misreporting 3NO cod as 3Ps cod. Also, we were concerned—in the past tense now—about the level of catch in foreign vessels of 3NO cod. That has been reduced as a result of increased enforcement presence in the NAFO regulatory area and as a result of diplomatic interventions.

But we will get all the history. You're looking for 1997....

• (1155)

Mr. Gerald Keddy: Well, from 1994 onward.

Mr. David Bevan: From 1994 on.

Mr. Gerald Keddy: As good a document.... I realize I'm asking for a fair amount of information, so it would take a while to put it together.

The Chair: Thank you.

Yes, Madame Gélinas.

Ms. Johanne Gélinas: Mr. Chairman, may I just bring a complement to Mr. Keddy's question?

In chapter 1 of this year's report we look at five international agreements. One of those was the one on the United Nations fish stocks agreement, and we have looked at 3NO cod. I don't remember exactly what it is, but I will forward to you the exact information we have on that. I think it will be of interest to you.

Mr. Gerald Keddy: Merci.

The Chair: Thank you.

Monsieur Roy.

[*Translation*]

Mr. Jean-Yves Roy: Thank you, Mr. Chairman. I will explain briefly what I want to say. Among other things, item 17 of Ms. Gélinas's presentation reads:

But its track record on timely delivery is not promising. As in so many other areas of my audit work, there is a significant implementation gap that is growing into a credibility gap.

Furthermore, Mr. Murray, you said in your presentation that the department, with the fisheries renewal policy, intends to put the emphasis on profitability, sustainability, stability, and predictability.

What seems difficult, in what you said, is that, according to me, you do not have the means right now to resolve the endless quibbling over resource allocation. In certain areas, including ground fish, pressure is so high on the part of fisherman groups, because, indeed, these people do not have enough income. Since you have no licence buy-back program, of course, these fishermen want to earn a living honourably.

Last week, we met with the fishery ministers of Prince Edward Island and New Brunswick, and we talked about herring. Here again, we have the same problem: these fishermen clearly do not have enough income. To achieve sustainability in fisheries, the effort, the pressure on the part of groups of fishermen will have to be reduced. In my opinion—and this is what you are trying to do—, some players will have to be eliminated in the fishing industry. However, to eliminate them, you need to have the means to do so. Right now, it seems clear to me that you do not have them. You do not have a buy-back program.

As for the percentage taken on the resource, I will give you a concrete example. Among others, there is a group of about forty ground-fish fishermen who, with the money they saved with the crab quotas they were given, will probably sue the department, because they feel it is totally unfair to have income between \$25,000 and \$40,000, while crabbers have much higher income. This creates pressure that is extremely difficult to manage for the department, but you do not have the means to resolve it right now.

Mr. Larry Murray: Thank you, Mr. Chairman. I will start, and maybe Mr. Bouchard or Mr. Bevan can continue.

I think pressure is really a challenge. Right now, phases are being put into place, for example with the Maritime Fishermen's Union of New Brunswick. This organization is working with the department, in the lobster and crab industry, to find ways of rationalizing and reducing the pressure on certain stocks.

This is certainly an important issue, because there is not enough fishing for those who need it. In certain coastal communities, it's the only livelihood. It's the same, in a certain way, on the West Coast, with salmon.

• (1200)

Mr. Jean-Yves Roy: What means have you to reduce the fishing effort and achieve a sustainable fishery? This is basically my question.

Mr. Larry Murray: Right now, we are trying to form partnerships in the industry. As for the West Coast, Mr. Pearce's and Mr. McRae's report states that, to make real progress, programs will need to be developed. Otherwise, it will not be possible, you're absolutely right.

Mr. Jean-Claude Bouchard: Indeed, it is true that we do not have all the means right now. However, there are currently consultations on the Atlantic fisheries policy. Why? Because there are different ways of managing fisheries on the Atlantic coast, and we want to hear the people involved, i.e. those who work in the industry.

It is true that the effort will need to be reduced. There are several ways of doing it. In certain cases, fleets that have long-term licences could rationalize their operations. There are all kinds of ways of doing this. However, to follow through on this important consultation, the Fisheries Act, which again has not been modified significantly for 136 years, will have to be substantially modified.

These are the two sources of solution to the problem you raise. It is currently being done, but unfortunately, we will need, say, two more years, if we are lucky. There will be no easy consensus in this area, and we will need the support and assistance of the Standing Committee on Fisheries and Oceans to do this kind of thing.

Mr. David Bevan: In fact, we are currently working with the fishermen to find a way of rationalizing their operations. For example, we devoted efforts with Newfoundland crabbers to rationalize their fishing activities. We did the same with New Brunswick fishermen. We granted small crab quotas to organizations to find a way of rationalizing their fishing activities.

So this is something we will need to do with Quebec fishermen too.

Mr. Jean-Yves Roy: Mr. Chairman...

The Chair: Mr. Roy, your time is up.

Mr. Jean-Yves Roy: My question is brief.

The Chair: Go ahead.

Mr. Jean-Yves Roy: Precisely, as regards current crab allocations, it's clearly not enough for a rationalization over five or ten years. The small crab allocation is not even enough to buy back 1% or 2% of the licences. It's not enough for a rationalization.

Mr. David Bevan: If we want a lot of money to buy back fishing licences, yes. However, there are several ways of using quotas. We

are finding a way of doing it with Newfoundland crabbers. They don't need to have a quota for their syndicate, for example, but a way of working with the fleets must be found.

We could find other solutions with Quebec fishermen, another way of rationalizing their fishing activities.

• (1205)

The Chair: Thank you.

[English]

Mr. Murphy, ten minutes.

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

I want to follow up on a point raised in the commissioner's report. Perhaps I'll address the question to you, Mr. Deputy Minister, and I'm sure you'll refer it to someone else. This is the whole issue of medically engineered fish and some of the questions that are in the media right now.

Can you tell us, and I must confess I don't know the answers to some of these questions, is DFO the primary responsible department for regulating genetically modified or genetically engineered fish?

Mr. Larry Murray: I will ask Wendy to respond. There's been a recent transfer, but basically the answer is yes.

Dr. Wendy Watson-Wright (Assistant Deputy Minister, Science, Department of Fisheries and Oceans): At this moment, Mr. Chair, it is the Minister of the Environment. However, as the deputy has indicated, we have signed an MOU with the Department of Environment to try to take on more of that responsibility within the Department of Fisheries and Oceans over the next year. But the regulations currently are under CEPA, the Canadian Environmental Protection Act, which is administered by the Minister of the Environment.

Hon. Shawn Murphy: Are you saying that within six months or nine months these efforts will be taken over by the Department of Fisheries and Oceans?

Dr. Wendy Watson-Wright: The program itself and actually receiving the information, doing the risk assessments, and all that's involved in receiving intent to do anything on genetically modified fish would be moved over to us. However, until the regulations are actually developed under the Fisheries Act... There's not a gap, mind you, because they are regulated under CEPA, but until the regulations are developed under the Fisheries Act, then the final say will continue to rest with the Minister of the Environment.

The Chair: Mr. Bevan, did you want to add something?

Mr. David Bevan: I think it's important to recognize the context around genetically modified fish.

Even though in P.E.I. there is an operation that is looking at genetically modified fish, the Canadian Aquaculture Industry Association has made it abundantly clear that they don't intend to use genetically modified products.

We also, at the current time, have introduction and transfer committees that would look at the risk associated with any of these kinds of things. We have not been asked to consider their use in any operation.

The operation that is currently... Aqua Bounty in P.E.I. has been working with the United States government on seeking approval to try out and test the growth of their products in cages in Maine. They have a very rigorous process to go through, starting with the USFDA and going through a number of steps to make sure it's not only environmentally sound but also has no potential health risk, etc.

We have not been approached at this point for that kind of consideration in a Canadian context.

The Chair: Mr. Murphy.

Hon. Shawn Murphy: Do I take it, Mr. Bevan, that there is no such thing right now as licensed genetically modified or genetically engineered fish?

Mr. David Bevan: In any commercial.... There is a landlocked secure operation in P.E.I. to produce the genetically modified fish, but that has not been allowed to enter into commercial production anywhere, to my knowledge, and certainly we have not been approached in Canada.

My understanding is that the business plan for the company was to proceed to take that to the United States for initial approval and testing of its commercial value.

Hon. Shawn Murphy: Do I take it from what you're saying that you don't see much appetite in the Canadian context for the product of GE fish?

Mr. David Bevan: No.

Hon. Shawn Murphy: Is there such a thing in the United States now? Are there aquaculture plants producing GE fish?

Mr. David Bevan: I'm not aware of any. My last involvement in any discussion around that was several years ago in the NASCO context, the North Atlantic Salmon Conservation Organization. At that point, Aqua Bounty was making it known that they intended to approach the USFDA and the United States authorities to seek their approval to test the product in ocean pens.

Mr. Larry Murray: In relation to Aqua Bounty, they have applied for approval of their product in the U.S. There has not yet been a determination from the U.S. Food and Drug Administration on their product and the U.S. cannot share any information regarding the status of that application with us. So that's what we know now about the Aqua Bounty request to the U.S.

• (1210)

Hon. Shawn Murphy: But Aqua Bounty is producing it in their own labs. Is that for themselves internally?

Dr. Wendy Watson-Wright: Yes.

Hon. Shawn Murphy: In Prince Edward Island, for export to the United States, once they get approval?

Mr. David Bevan: Once they get approval. Their intention is.... At this point they know that the growth rates under controlled conditions are superior. They would like to be able to demonstrate that under commercial conditions. Then they would like to seek the opportunity to proceed with the marketing of the product to commercial growers.

Hon. Shawn Murphy: Can someone explain—again, I don't understand it at all—how this is done? In the beef industry, the animals are given certain treatments and they develop quicker through feed and through medical injection. In layman's terms, how does this take place?

Mr. David Bevan: I can tell you this, because this was shared information at the NASCO meeting that was not a closed government meeting but was a meeting open to stakeholders such as the Atlantic Salmon Federation and others. What they've done is implanted another growth gene from another species into Atlantic salmon.

Dr. Wendy Watson-Wright: Another species of salmon.

Mr. David Bevan: Another species of salmon. That would increase the growth of these fish substantially. Therefore, each cell of these fish, each nucleus of those fish, has a different genetic makeup from what would be found in the normal natural species. It has a growth gene from another fish in place of or in addition to the growth gene from the Atlantic salmon species.

Hon. Shawn Murphy: The fact that this fish is being produced in Canada is not in violation of any present regulations dealing with GE fish. Is that right?

Mr. David Bevan: No, because it's not for commercial production. It is an isolated, contained research lab that has no potential opportunity and no significant risk of having that fish get loose in any way, shape, or form. It is similar to labs that are run by the Department of Fisheries and Oceans where genetic modification experiments have been conducted on salmon.

Hon. Shawn Murphy: Just switching topics, and I guess this will probably be back to you, Mr. Bevan, I want to get your comments and thoughts on a fisheries management issue.

Back to the Pacific salmon issue, we spent three days in Vancouver a week and a half ago and in the House all day last Thursday talking about a judicial inquiry. We spent the first 15 minutes of this meeting talking about Mr. Williams. All of these events have to do with last year's salmon run. We're all aware of what happened there, and I suppose it would be helpful to get some more concrete answers as to exactly what happened. But perhaps from my vantage point, I guess the more important issue is looking forward to next year's run.

If you could summarize, do you see any management changes going on? I say this appreciating the extreme complexity of the issue and the difficult task your people in British Columbia have in dealing with this very complicated, complex, challenging issue. Do you see any fundamental changes in fisheries management? I'm talking specifically about the Fraser River and next year's run, because we certainly wouldn't want a repeat of this year's. Again, I'm not blaming it on fisheries management, as there were a lot of environmental issues and other issues, and it was very challenging.

Mr. David Bevan: I think the review has a number of elements to it that will hopefully help inform our decision-making for 2005.

We have to be absolutely confident that the test fisheries accurately measured the abundance we thought was there, that the counting process at Mission was accurate enough that we had a good understanding. And then if the fish got into the river in the numbers we are currently working with, we need to know whether there was illegal fishing and what that contributed and whether the environment contributed. That will help inform us next year on the deployment of our resources, but also in making decisions on what kind of commercial fishery we will be able to have.

We are going to have to change the way we manage the 2005 fishery anyway. We still have the coho conservation issue, where we've had mortality on Thompson River coho capped at around 3% to 5%, but generally around 3%. In addition now, we have Sakinaw Lake and Cultus Lake, where we're looking at capping their mortality—and that has impacts on fishing patterns and it has impacts on fishing availability.

If we just keep the same process, where we open up area E gillnetting or open up the seiners and have all of the licence holders come to fish at once, we won't be able to have very many opportunities. On the other hand, if we change the way we do it, we may be able to have more opportunities if we can get the effort down and get the selectivity up. By “effort down” I don't mean that we remove people from the fishery, but that we find a way to have them work together so that they can have slower, more controlled fisheries, such as we have done in the herring fishery.

I think if we just have the same tools at our disposal and run it the same way we did last year, the opportunities to harvest what are expected to be good returns at this point are going to be restricted more than they might otherwise need to be.

•(1215)

The Chair: Thank you.

Mr. Murray.

Mr. Larry Murray: Mr. Chair, I've got four very detailed pages of notes on the whole issue of aquatic products and biotechnology

along the lines of the question asked by the honourable member. I'd be happy to have them translated and tabled with the committee.

The Chair: You can just table them with the committee; we'll look after translation.

Thank you very much.

Mr. Larry Murray: Okay, thanks.

The Chair: Mr. Hearn.

Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC): Thank you very much, Mr. Chair.

On that very note, perhaps a couple of commitments have been made today to deliver material collectively or individually, and I would suggest that if somebody asks a pertinent question and material has been sent, it be sent to all of us. I know the information Madame Gélinas committed to provide to Mr. Keddy is certainly information we would all be very interested in.

The Chair: Yes. It's to be understood that any time information is to be sent to a member, it is to be sent to a member through the committee. The committee will distribute it to all members.

Go ahead.

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

Let me also thank the witnesses for being here this morning, and take the opportunity again to wish them a very happy Christmas and a prosperous new year. I hope Santa Claus brings everything you're asking for, especially in a minister. I'll take that one away.

I have one very simple question, and that is, who owns the fish in the ocean within our 200-mile economic zone?

The Chair: Are you addressing that to anyone in particular?

Mr. Loyola Hearn: Mr. Bevan, perhaps. It's his shop.

Mr. David Bevan: The people of Canada. It's a common property resource, and it's owned by the people of Canada. We are charged with the responsibility of managing it, and obviously there are varying degrees of connection to the fish on the part of fisheries. Those who are in competitive fisheries don't have the same degree of connection to the fish as perhaps somebody who is in an individual transferable quota fishery, where it's not a property right but is more similar to a property right than otherwise would be the case. The bottom line is the people of Canada own the fish.

Mr. Loyola Hearn: Thank you very much. I agree with your definition there.

In relation to that, we have of course enterprise allocation, which again, I believe, makes sense, as long as the enterprise obtains the allocation based upon a proper management plan.

Can quotas be sold? I'll give you an example. A company holding a quota, deciding not to operate in a certain area any more, sells it for several million dollars to a province.

Mr. David Bevan: To a province?

Mr. Loyola Hearn: Yes. The quota that was at Arnold's Cove and held by National Sea Products has been bought by the Province of Newfoundland for I believe \$3 million.

Mr. Bill Matthews: \$3.5 million.

Mr. Loyola Hearn: \$3.5 million.

Mr. David Bevan: That is a business transaction. I believe it was actually a company that was involved in that. There were two companies involved in that process.

What they do, and what has to happen under the law, is that there has to be approval obtained from the Minister of Fisheries and Oceans for any transfer of licence or quota, etc., because the Fisheries Act, section 7, gives absolute discretion to the minister in the question of issuing licences, etc. That's where the authority for that kind of transfer comes from. It's again still the property of the Canadian public, so it has to receive ministerial approval for any kind of arrangement like that.

• (1220)

Mr. Loyola Hearn: Could that quota—provided it can be sold—be sold to some interest outside the province?

Mr. David Bevan: Outside the province? Yes. Outside the country? No. We have a policy that would prohibit the licensing of foreign vessels or foreign companies using Canadian products. There has to be a Canadian element to the company.

Mr. Loyola Hearn: So what you're saying is quotas that would be allocated to—I could use any province, but I'll use my own—Newfoundland and Labrador to provide product to be processed in plants, to provide work, can be sold to companies in Nova Scotia, New Brunswick, or British Columbia, as far as that goes.

Mr. David Bevan: That's correct. That's not the general practice, obviously, but that's what could happen.

Mr. Loyola Hearn: And it is ministerial discretion on that.

Mr. David Bevan: That's correct.

Mr. Loyola Hearn: In relation to that, why would a company that obtains a quota based upon undoubtedly a harvesting plan—again based upon its ability to harvest, to process, and to market for the benefit of, I presume, the people of Canada—when it decides that it is no longer interested in harvesting that resource, just turn around and say, "I'm not going to do what I said I would do, I'm going to sell it to somebody and make some money"? Why wouldn't the other company that was moving into that particular area to process that resource, to provide these jobs we're talking about, just be given the resource, or access to the resource by the department?

Mr. David Bevan: Currently that's not the policy. Obviously that is something that could happen if the policy were to change. However, if you did that, you would essentially remove any kind of predictability. What incentive would anybody have to invest in the

new vessels, in the harvest technologies, in making it a sustainable fishery, if all of a sudden something happens in terms of a perception that it's not adequately supporting a particular geographic location and it then has that quota taken away? That would remove incentives for proper business plans to be put in place and incentives for investment.

We're going to have to have more investment in some cases in terms of the gear selectivity, etc., and making sure that we minimize the impact of gear on the bottom, etc. Therefore, we haven't had a use-it-or-lose-it policy and we haven't had a policy that has linked the creation of maximum employment onshore to the quotas at this point. If we did that, we would essentially be regulating an inefficiency in an industry that is a price taker on the world market. That could therefore be a problem that you end up with a highly inefficient, high-cost fishery that reduces incomes for everybody in the chain.

The Chair: Sorry, Mr. Hearn, you're out of time. It's an interesting thing that we could consider when we're going to the Atlantic.

Mr. Matthews, please, then Mr. Stoffer.

Mr. Bill Matthews: Thank you, Mr. Chairman.

I want to follow up on Mr. Hearn's comments. I think it was November 25 when you people were here and I questioned you on fish quotas and allocations. Mr. Bevan confirmed then that it was a common property resource. I just want to follow on Mr. Hearn's line of questioning.

Mr. Bevan, why did the Government of Newfoundland and Labrador pay National Sea \$3.5 million? Can you answer that for me?

Mr. David Bevan: Again, I believe it was a business transaction. When they were looking at getting the quotas they needed to operate where they were intending to operate a fish plant, that was one way to do it.

Clearly, if National Sea held a quota, and we kept saying to companies like National Sea or any other company that the quota could be taken from you if we like somebody else's business plan better or we like the fact that they're going to have this kind of structure, therefore all your investments in harvesting, etc., are just taken away and you're no longer in the business and we're giving it to someone else, that destabilizes the industry. It builds in potential for a high degree of inefficiency.

The minister's absolute discretion is subject to some controls in terms of natural justice, and you can't be capricious in your decisions to remove a quota from one person and give it to another. So if somebody were to come up with a business plan that may not even be stable, may not be something that could be something in the long haul, but says that he can create a whole bunch of jobs in this community and then gets a quota from someone else, generally at somebody else's expense, then that can be very destabilizing.

I think this kind of arrangement was a business arrangement—both parties are agreeable to it, the minister approves it, and then it proceeds. The minister may not always approve those kinds of arrangements. They have to be brought to the minister. They have to be subject to the Competition Bureau, etc. There are a number of controls on it. But it's not a situation where we see somebody proposing something attractive to one community at the expense of another or at the expense of the company's investments.

• (1225)

Mr. Bill Matthews: Mr. Chairman, this was the same community. This was not another community. This was the community of Arnold's Cove, which would have been operated for years and years by National Sea, who wanted to get out of it. They had the plant up for sale, and no one would buy it. They offered it to the manager of the plant for a small amount of money, but of course they needed fish.

In my view, it's nothing short of criminal that the Government of Newfoundland and Labrador should have had to pay National Sea \$3.5 million for what you've described, on two occasions now, as a common property resource owned by the people of Canada, managed by you on behalf of the people of Canada.

Now, I could be critical of the Government of Newfoundland and Labrador as well; I don't think they should have paid the \$3.5 million, because I don't think they should have had to. In this case, I think it would have been very legitimate and logical if the Minister of Fisheries and Oceans had transferred the quota to the new company. National Sea shouldn't be able to take that anywhere they want in the world. They shouldn't be able to do it.

We have a similar situation happening right now with Fishery Products International. As I told you last time, they are going to be completely out of the groundfish processing industry in our province, and you're telling me now that in order to get the quota away from them, someone's going to have to pay them millions of dollars so that the quota, which has kept thousands of people working in our province for years, will stay, for the benefit of our people.

There's something radically wrong here. I really think that as a department you have to address this issue and review it. There's something radically wrong with the Government of Newfoundland and Labrador paying \$3.5 million to National Sea, who did not own the fish, as you've admitted on two occasions now.

Mr. David Bevan: I think we have to look at this issue in a broader context. Taking it to the logical conclusion, all the money we spent on the Marshall program would have been saved, if we'd wanted to, by simply saying to commercial fishermen, you're no longer in the business at the same level of harvest, because we're taking that and giving it to first nations.

We didn't do that because of the impact that would have had on commercial fishermen, coastal communities, etc. They had made an investment, and they should have had some stability in the access and allocation in order to ensure that they could capitalize on that investment and ensure that they could run their business appropriately.

Taking it up just because we have larger enterprises doesn't mean that it's any less of a problem if we were to all of a sudden say the rules are off: if you have access and allocation, we're destabilizing it completely, and we are reserving the right to remove it from you at any time we feel like and give it to anybody else because we've found their business practices more attractive.

That would undermine any possibility of conservation. Nobody's going to conserve stocks if they don't know that they're going to have the opportunity to fish them, because we can remove that at any point. It doesn't provide for an efficient industry that generates the maximum wealth for Canadians and for those who are involved in it. It will drive down the money that fishermen earn and the money that plant workers earn if we keep pulling the resources away and spreading them very narrowly, across a large number of participants.

So it's not a simple issue to say that it's wrong, that it belongs to the Canadian public, and that we should take it from one and give it to the other whenever the conditions warrant. It would have some serious consequences. We're already dealing with a number of fisheries, particularly in Atlantic Canada, where we have perverse incentives that don't lead to compliance, that don't lead to conservation, where we have told people...or when you get a reward in terms of your investment to conserve, and develop a business, if you make too much money we're going to put a whole bunch of other people in your fishery, or we'll remove people from that fishery if the stocks go down.

As I think you can appreciate, what are people going to think in that circumstance? We need to look at this difficult issue, but we need to do so from the point of view of asking how we get what we need in fisheries and coastal communities. How do we build enough stability so that people stop fighting for the volume and look at the value they can add?

Now, I understand that this is a really difficult sell when a fish plant that supports a coastal community closes down. That's really not easy. Those situations are a problem for us all. But if we take the easy way out, and expeditiously make one change now, I think we'd better be aware of what it could do in the broader context of the whole fishery.

• (1230)

The Chair: Thank you.

Mr. Stoffer.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): You can't help but feel like the kid in the baseball field who gets picked last.

I have four direct questions, and I'll start with the one for Madam Watson-Wright.

It's my understanding that DFO bases its management of fisheries on the best available science. Would that be a correct statement?

Dr. Wendy Watson-Wright: Yes.

Mr. Peter Stoffer: Is your department preparing for a 20% cut to the science budget over a three-year period, either overall or within an institute, like the Bedford Institute of Oceanography? I ask that because people from that institute have come to me and indicated that this is what's going to happen. I hope they're telling me something that's not true.

Dr. Wendy Watson-Wright: I believe the deputy would like to respond.

Mr. Larry Murray: We have a major science review under way as part of an overall departmental renewal. We're looking at all our expenditures to try to maximize service to Canadians. Certainly the foundation of this department is science, so we will do everything humanly possible to ensure that we focus science on those areas that require a science focus.

No decisions have been taken with regard to downsizing, but certainly it is all about reallocation, and that includes in the science sector. Certainly we'd be happy, at the request of the committee, to provide a briefing on the science review so that you know where we're at and where we're trying to go.

Virtually every initiative we have under way has science as its foundation. We need to make sure that we're spending and investing our science resources in the most effective way possible.

Wendy, I don't know whether you want to add to that in relation to the science review.

Dr. Wendy Watson-Wright: I think that's fine, Deputy, but perhaps I would just reiterate that in terms of the 20% decrease, it's not a decrease, it's a reallocation. For some, that means they may be moving to do slightly different things, but in fact it's something that we need to do. We need to be a flexible organization. We need to be able to address the policy priorities of DFO and the Government of Canada, and that's what we're moving to do.

Mr. Peter Stoffer: Let me ask you the question this way. What is the current science budget within DFO now?

Dr. Wendy Watson-Wright: About \$221 million.

Mr. Peter Stoffer: What will it be after the next budget?

Dr. Wendy Watson-Wright: That I don't know.

Mr. Peter Stoffer: Is it possible that it may be less than \$221 million?

Dr. Wendy Watson-Wright: It is possible that it could be more or less.

Mr. Peter Stoffer: More would be good.

Mr. Larry Murray: I agree, Mr. Chairman. We have an expenditure review committee process under way as well, where

we, like every other department of government, have put our propositions on the table and our recommendations. The government will need to take all of that into consideration and produce a budget at the end of the day. Certainly there is a good understanding that we need to replace our science ships.

Any number of issues need to be dealt with in relation to science, and certainly the minister is on record, I think, as indicating how strongly he feels about the need for good science in this department. What the numbers will be at the end of the next budget, I'm not in a position to know.

• (1235)

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

Mr. Bevan, you said that it's not really for us to take fish away from one group of people and give it to another, that you don't like to do that. But that's precisely what happened in 1997 in Langara Island. Trollers had fished off Langara Island for years and years, and all of a sudden there was a 12-mile exclusion zone for trolling, and it was given to the sport fishery. I still question, to this day, why that happened. I've have had no answers.

You also indicated your concern about people investing in a sustainable fishery. If people are going to invest and everything else, they need to know that there are quotas, and access, and that they'll be able to make a living. But the reality is that this is exactly what the sablefish fishermen did, and now there is the department's possible allowance of sablefish aquaculture within B.C. waters, which will have a detrimental effect on their industry. That's just a comment.

To Mr. Murray, the other day Mr. Regan was in Newfoundland. I'm not sure who gave Mr. Regan the advice to appoint Art May and Derrick Rowe to the Advisory Panel on the Sustainable Management of Straddling Fish Stocks. I don't know if you listened last night to VOCC—the “voice of the common man” in Newfoundland—but people are very.... You might as well have thrown salt in the wounds of these people.

Derrick Rowe is part of FPI, which just finished shutting down Harbour Breton. Fortune will be next, and Bonavista will be after that. That's exactly what FPI wanted to do prior to the last provincial election. There was complete disregard for hard-working plant workers and fishermen in the Newfoundland area, and here he gets appointed to a sustainable management advisory plan?

As well, there's Dr. Art May, who many people view with great suspicion over his long history of studying on the cod stock. He has a great résumé, no question about it, and he's a decent man, but there's great suspicion from a lot of people in Newfoundland. They simply don't trust him.

For the minister to appoint these two, you might as well have just put the final nail in the coffin for them. That's what they're thinking, and that's what they said overwhelmingly last night on VOCM. I'd like you to respond to that.

Ms. Gélinas, you say that your department is not happy, or "not satisfied with the progress being made" by Fisheries and Oceans Canada, but you don't say why. May I ask you why?

Thank you.

The Chair: Deputy Minister.

Mr. Larry Murray: In relation to the appointment of Dr. May, Mr. Rowe, and indeed Dr. Dawn Russell, who's the Dean of Law at Dalhousie School of Law, these people were selected because of their distinguished backgrounds and what they bring to a very challenging and high priority for the Government of Canada.

Art May is indeed a distinguished President Emeritus of Memorial University. He has an extensive background in this area, both in knowledge of the fishery and in knowledge of the law of the sea, and so on. Dr. Rowe has been heavily involved, and as a member of the delegation on NAFO—in the context of the last few minutes of this committee, a very fascinating discussion—he brings a knowledge of international business to this particular deliberation that I think will be particularly invaluable to this advisory committee in making recommendations to make a difference in the offshore of Canada. Dr. Russell, as I said, is the dean of law.

These people were selected because of their distinguished backgrounds, their distinguished experience, and their demonstrated capability in the area in which the government was looking for advice.

The Chair: I guess you're identifying the east coast version of the Bryan Williams appointment.

Mr. Peter Stoffer: Actually, this is a lot worse.

The Chair: I suppose we could debate that until the cows come home.

Mr. Peter Stoffer: You talked about experience. It's the experience that scares the hell out of the Newfoundlanders. That's what their problem is.

The Chair: You're not drafting a notice of motion, are you?

Mr. Peter Stoffer: No, there will be no notice of motion.

The Chair: Why, I believe was his question.

Ms. Johanne Gélinas: Thank you, Mr. Chairman.

To answer Mr. Stoffer's question on why progress is so slow, the main point we have highlighted through the course of the different audits is that the department never comes to closure on many activities or actions taking place in the department.

I can give you many examples of that. Mr. Murphy was referring to the GE fish. We highlighted that we were doing a follow-up on a petition we received—because this is something we would have never looked at, based on our own strategic plan. Basically, the department has said for years that it was working on regulations. When we did the audit to see exactly where the department was at, we found out that was not the case. There were not really regulations developed to address the GE fish, and moreover, we were told there

may well never be regulations, because they are again starting the analysis to see whether it should be done or not. You can analyze to a certain extent, but you have to come to a position, a decision. We don't see that happening too often in the department.

On another example, you have talked at length about the wild salmon policy. We were told it was coming. Mr. Wappel clearly stated earlier how long it would take to get there. We asked them many years ago to revisit the habitat policy of the department because it was obvious, based on the information that was given to us by the department, that the policy hadn't attained its goal. We have asked for some clarity on the environmental impacts of aquaculture. We're still waiting for that.

So I can appreciate the complexity, and in some cases that the department's work is in progress, but at some point we will be looking for concrete results so we can say in one area—mission accomplished. We're not there yet.

I guess we have a different definition of what progress is, because on our side we have said that progress was not sufficient. The deputy minister is saying they have made progress, and I agree with that, but it is not enough to be able to say that we have closed the loop, at least with respect to our own recommendations. I hope this committee will make sure we have an action plan, a game plan with a time line, so we will be able to report back to this committee on progress that has been made on our recommendations.

● (1240)

The Chair: Thank you very much.

Mr. Kamp.

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

I apologize for not being here for the presentations. I had a doctor's appointment. I apologize if these questions have been asked.

The Chair: If they have been asked, you won't mind if I say that.

Mr. Randy Kamp: No. I know at least one of them has been asked.

When Peter asked about the wild salmon policy, I understand the answer was that it would be released shortly. We've been hearing that for quite a while—since 2001, I think. So I just wonder if you could be more specific for me. Maybe that was already said.

The Chair: It was. Shortly, is the answer.

Mr. Randy Kamp: There's no more specificity than that?

The Chair: Perhaps the deputy can help us.

Mr. Randy Kamp: Perhaps very, very shortly?

The Chair: Perhaps just after the adjournment of Parliament.

Mr. Randy Kamp: When the minister was with us he said it would be this month, and that was November. We haven't seen it yet, so I guess it wasn't this month. It might be this month, which is December. People are asking me, and I would like to know whether this means this year, next year...or maybe not.

Mr. Larry Murray: The minister has been very clear in his direction to the department that it will be released—

Mr. Randy Kamp: Shortly.

Mr. Larry Murray:—shortly, but shortly defined as this month, this year, really soon.

The Chair: Look for the usual Friday announcement.

Mr. Randy Kamp: Okay, I'll be watching for that.

Mr. Murray, I noticed in your published opening remarks about aquaculture a number of things that are being worked on. Maybe it works differently on the east coast, but on the west coast there's still a fair bit of concern about the interaction of wild salmon and farmed salmon—of course, you know that.

One of the things that bothers a lot of people is the fact that DFO is both the promoter of this industry and its regulator. Maybe that's true in other areas as well, but people ask me whether it is possible to do both of those things. If you really are promoting, would you do the regulatory stuff in the same kind of way?

Someone asked me, so I'll pass it on to you, whether it would make any sense to have some other department be the promoter of this industry, like Industry, or even Agriculture, with DFO continuing with the regulation of that industry.

• (1245)

Mr. Larry Murray: That's an excellent question. That was certainly wrestled with the last time I was in the department.

If you were to talk to the industry—which I know you do—I think they would argue that we do an unsatisfactory job, from their perspective, of the regulatory role, but that is our primary focus. I think they would argue that there hasn't been a promoter of the industry in government, and certainly in our dialogue with them we take a lot of criticism because we haven't been promoting the industry. We've gone through a major review to try to reorganize ourselves. I think at the heart of the issue, and certainly within the department, we can separate the regulatory aspect from promotion.

I think the issue comes down to science, to some extent. On the third thing we do, we are into aquaculture science, aquaculture development, and that's certainly not the case with the Department of Agriculture and Agri-Food. We do work closely with CFIA, but at the end of the day, what is the best use of the corporate expertise? Given that we do have scientists involved on the health side, on the development side, and so on, although it's not perfect, the position of the government or the conclusion of the government, having looked at this three or four times, is that having the lead responsibility in the

Department of Fisheries and Oceans is the best solution. Certainly within the department we're working hard on the regulatory front, on siting approval, and on more science and aquaculture, to do a better job in regulation, support a sustainable aquaculture industry more effectively, and in that context do some work in support on the science side of development.

It is certainly not a black-and-white question, but the argument of where do you have the resources, and is it better to have people who worry a lot about cows trying to figure out how to deal with fish. So it's not easy. We do work very closely with CFIA, and that's the current position.

I don't know, Wendy, whether you want to say anything further, but I think that's fundamentally the background.

The Chair: That's it, Mr. Kamp.

Monsieur Blais.

[*Translation*]

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

My questions will deal with a specific issue, i.e. Bennett Environmental, from Belledune. There is a project for building a contaminated waste treatment plant there, an incinerator. This company, Bennett, does not see it as a project, but as a reality. It's in Belledune, New Brunswick, so near Chaleur Bay.

Section 35 of the Fisheries Act clearly states that the department has the obligation to initiate or conduct an environmental assessment of the projects that could threaten the resource one way or another.

To further illustrate, there have been petitions and rallies against it. In a community with 100,000 or 110,000 people, the fact that more than 50,000 people signed one or more petitions shows how important this issue is to them.

The Fisheries Act allows you to intervene to preserve the resource and requires you to assess the environmental consequences of a project that could threaten it. Even after repeatedly asking the question for more than one year, I'm still wondering why the department did not act, considering the possibilities it has under Section 35 of the Fisheries Act.

Mr. Jean-Claude Bouchard: I understand that a petition was signed by several people. However, based on its scientific expertise, the Department of Fisheries and Oceans established that is was unlikely that the project would cause a significant and notable increase in the contamination of the fish and their habitat. According to us, it is unlikely.

• (1250)

Mr. Raynald Blais: Yes, but you established this conclusion based on a study carried out by the company itself, and not on the basis of an independent study. We ask that an independent environmental assessment be carried out. It could be done under the authority of the department, considering the scope of the project.

When you support such a decision on the study carried out by Bennett itself, it's like telling the fox in the hen house that you trust it when it says it won't eat any chickens. This means that an individual or company can be allowed to do what they want, without any independent environmental assessment.

Mr. Jean-Claude Bouchard: In projects of this type, it is absolutely normal for the person or organization proposing the project to carry out studies, to the satisfaction of the department. The data provided by the company were satisfactory from the department officials' point of view. If their study had had gaps, they would have been asked questions; that's what I'm told. The assessment that was made based on a study that provided the required data enables us to say that it is very unlikely that the project would have an impact.

Once again, this is the conclusion arrived at by the minister. It's the process we follow for all projects. For example, in the case of a hydro-electric project in Quebec, we ask Hydro-Québec to provide a great deal of data. It is based on this information that we determine whether the project might have a major impact or not. The process is the same.

Mr. Raynald Blais: I will have to disagree with your interpretation, and I'm not the only one who does not agree.

The Department of Health ensured that a process was initiated for a board to review the project, based on the Department of Health's reservations. I ask you, with all due respect to the community, to the project, and considering the prejudice it could cause to the resource, to review your position. Reviewing means taking time to thoroughly examine the issue, and not rely only on studies which, well, were presented by a company which, in the past, has not necessarily demonstrated too much concern for doing things the right way.

This company already has operations in Saint-Ambroise, Quebec, that are now negatively considered by the ministère de l'Environnement du Québec. Considering all this, I would say that I think it would be appropriate and, I would say, responsible to review the issue in a more detailed way and enable us to have more confidence in you in terms of resource protection or sustainable development, because, as the commissioner said, your credibility is at stake.

Mr. Jean-Claude Bouchard: I make a note, Mr. Chairman, of Mr. Blais' point of view and question. I have to tell him that the federal government is appealing a decision that was made. So, it's before the courts. But I make a note of Mr. Blais' concern.

Mr. Raynald Blais: Thank you.

The Chair: Ms. Gélinas, do you have an answer?

Ms. Johanne Gélinas: When I last appeared, Mr. Chairman, I provided certain elements of an answer to Mr. Blais. We will continue to monitor the issue, and any relevant information will be provided to the committee. Thank you.

[English]

The Chair: Merci.

I'll go to Mr. Simms, then we'll finish up with me.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Thank you, Mr. Chair.

I had a meeting some time ago with aquaculture interests in Atlantic Canada. The issue they brought up with me was key to

them. It's the national aquatic animal health program, if I got that right. They were quite concerned about it, because what they want to do is get on par—I'm assuming, and correct me if I'm wrong—with many of the agricultural interests in the sense that this essentially gives them a seal of approval. As they said to me in a letter, the lack of ability to certify their Canadian seafood products as disease-free will have serious repercussions for trade. This is what they're striving for now. They were quite sincere in saying that this is essential.

What are your thoughts on this now? What stage are we at with DFO? Where's Agriculture on this? Are you as sincere about this as they are?

• (1255)

Mr. Larry Murray: I'll start, and then perhaps Dr. Watson-Wright.

Certainly we agree. We believe it is essential for trade as well as safety reasons. It's something we're working very closely with CFIA on. In fact, it is referred to in my opening remarks as a very high priority, a top priority of the minister. Certainly that was the view the minister received unanimously from all the Atlantic fisheries and aquaculture ministers, and indeed nationally as well.

So this is extremely important to the industry, and the federal portion of it is something we would hope to bring to fruition in the coming months.

Dr. Wendy Watson-Wright: If I could just add, we have in fact reallocated some within the department. Last year, we reallocated \$1.4 million toward this. And as the deputy has said, we are working very closely with CFIA. In fact we have brought in some of their key scientists to help us on this.

Mr. Scott Simms: Do they have an investment in this as well?

Mr. Larry Murray: They do, actually. They have reallocated internally. I may have the numbers wrong, but I think at the moment it's in the order of \$800,000 a year, or something like that. Certainly I would not be fair to Minister Mitchell if I didn't indicate that he shares Minister Regan's view of this as an essential priority. So the two ministries, and Ministers Mitchell and Regan, are working very closely, as are officials at all levels, including mine, to try to bring this thing to reality very soon.

Mr. Scott Simms: So it's safe to assume that everybody agrees with the people who met with me that this is an essential program?

Mr. Larry Murray: Absolutely, no question about it.

Mr. Scott Simms: I think what they're worried about now, if I could just add a little comment, is the money value in this. And as serious as the Canada health.... Anyway, agricultural interests, as well, have given it a serious....

Mr. Larry Murray: If I might elaborate, on the aquaculture framework what we would like to do is get a national aquatic animal health program with appropriate federal funding up and running and engage the provinces in a real dialogue around an aquaculture framework, do some real harmonization work with the provinces.

There's certainly an issue of business risk management or a risk management insurance approach, which the agriculture industry enjoys and the aquaculture industry doesn't. The industry is very keen to, but we need to sit down with the provinces, the industry, and the feds and move that framework forward.

Clearly, it's essential in Newfoundland, with the prospect of cod aquaculture, among other things. In New Brunswick it's been essential, and in B.C. and Nova Scotia it's hugely important.

From our perspective, we need to deliver the national aquatic animal health program to have a meaningful ability to have real dialogue around the framework agreement. In other words—

Mr. Scott Simms: Engage the provinces and territories on talks on this subject.

Mr. Larry Murray: We have been talking. There is a working group, as part of the Canadian Council of Fisheries and Aquaculture Ministers, engaged with aquaculture. But it's fair to say this is a great concern of the province. The people who talked to you are in line.

The Minister of Agriculture, Fisheries and Aquaculture from New Brunswick asked that this be the top item on the agenda of the meeting the ministers had in November, so it is a very high priority. Certainly we know the minister would appreciate this committee sharing that very high priority that he places on it, because in terms of the issue you put on the table, no more than I can talk about the next budget, I'm in no position to indicate that this one is across the finish line. But certainly there's an awful lot of work going on to get it there.

Mr. Scott Simms: I just wanted to gauge your interest on this. Also, with the Department of Agriculture not being here.... It would be nice to hear their opinion on it as well.

Mr. Larry Murray: It's a top priority of the two ministers.

Mr. Scott Simms: Thank you.

The Chair: Thank you, Mr. Simms.

First of all, I want to apologize to our witnesses that we weren't able to give you a full two hours.

Madam Gélinas, did you want to....?

Ms. Johanne Gélinas: I will let you finish, but I would like to say a few words before closure.

The Chair: I'm not really closing; I'm just getting into my question.

I just wanted to say that we wanted to set aside two hours, but in this committee there's always an issue, just like there's always an

issue in fisheries and oceans to be dealt with, so there's always something that comes up.

Anyway, I think the point of this meeting was that our committee could be personally assured that the highest-level officials in DFO heard with their own ears the concerns of the Commissioner of the Environment and the Auditor General's department with the problems they perceive within DFO.

I guess I just want to highlight these by saying that the commissioner really said two things. In paragraph 12, she said: "A common theme that runs through all our concerns is simply how long it takes the department to produce results." And she says in paragraph 17: "...there is a significant implementation gap"—and here's the worrying part—"that is growing into a credibility gap."

She is specifically asking our committee in paragraph 4, and hoping that an implementation plan to address the findings and recommendations, with specific timelines, will emerge over the course of this hearing.

I recall that in our discussions on the estimates both the deputy minister and the associate deputy minister called on this committee to continue to do what it's doing. I believe those were the exact words. That's exactly what we're going to continue to do. One of the things we're going to continue to do is to do our best to try to ensure that the hearings we have and the undertakings that are made don't get forgotten in the mists of time.

With that little preamble, and under the rubric of how long it takes the department to produce results, the pace is astonishingly slow on occasion. We have subsection 42.1(1) of the Fisheries Act, which requires the minister to table the annual report "on the administration and enforcement of the provisions of this Act relating to fish habitat protection and pollution prevention...". We've got to do something about tightening the language; it's absolutely ridiculous.

Anyway, the report for 2001-2002 was tabled in 2004. That is utterly unacceptable. Then the report for 2002-2003 was tabled in the middle of November 2004—also glacial. I know that we addressed this in the estimates discussion, but these are concrete examples of how long it takes just to produce a report that is required by law as quickly as possible after the fiscal year end, never mind the development of policy like the wild salmon policy.

So I think all we're trying to do here is to highlight that it just seems to take forever, and I believe the commissioner said the loop never seems to close.

It's going to be really interesting to see if we will have a wild salmon policy, not a draft policy but a wild salmon policy, by the end of February, let's say—and let's hope we do. The frustration is that it's constantly a case of—and we hear this from stakeholders —“We're going to get to it”, “it's coming”, “it's coming soon”, “it's coming very soon”, “it'll be here around the corner”, and it just never seems to arrive.

We heard the same kind of frustration in Vancouver. It had something to do with what Madame Gélinas was saying about decision-making: there is consultation until the people who are consulting retire, but a decision never seems to come, and then there's more consultation because there are new people.

So what we're trying to encourage with this meeting, I hope, is an understanding that there are some serious, pervasive problems. I think it's fair to say on behalf of the committee that the committee believes that the current deputy minister and the current associate deputy minister are committed to dealing with these things. But as we heard in Vancouver, the problem is lack of corporate memory—who knows how long the current deputy will be the deputy and how long the current associate will be the current associate deputy minister? This is very frustrating. Who knows how long I'll be chair? Who knows how long these members will be here? And then we can only rely on our table officers for corporate memory.

● (1300)

The long and the short of it is that the Commissioner of the Environment has become so frustrated by the lack of progress that she has brought this matter to this committee. This committee is now charged with making sure that something is done, and we're going to do it.

There is no question there. I thought I'd have a question, but I don't.

Madame Gélinas, you wanted to make some comment.

● (1305)

Ms. Johanne Gélinas: I will try to have as a conclusion some sort of look forward, and then I will turn to my colleague Ron Thompson to look at some of the actions by which we can move ahead.

First, we have had a very good relationship with the department as we were doing the audit, and even after, we have kept the channel of communication open.

I'm just coming back from another hearing this morning. The senior people of the Department of Finance were supposed to be there, and they were not. So I'm very pleased to have the deputy minister and the associate deputy minister here today to listen to what you have to say and what we have to say.

That said, we have seen, based on the opening statement of the department, that the menu is still very elaborate, and we will have to follow up very rigorously on progress that will be made. My concerns remain the same. And it's not obvious to me that this time will be the right time, but I will pick up on something that Mr. Murray said earlier. I guess it was in an opening statement that he had asked the department, through their internal audit now, to have a mandatory update on the implementation of our recommendations. I think it would be very helpful for us and for the committee to access

those status reports, and then we will be able to follow up on progress.

Mr. Chairman, it's Christmastime, so I guess it's appropriate to come with a wish list. I have only one thing on my list. We can talk about it later on, but I would really appreciate it if in the spring, when the sustainable development strategy of the department is tabled in Parliament, we could have a close look at this document, which can become meaningful for your committee in the future.

On that, I would like to wish you all the best for the holiday season.

Now I'll turn to my colleague.

The Chair: Thank you, Madame Gélinas.

Mr. Thompson.

Mr. Ronald Thompson: Thank you, Mr. Chairman. I'll be very brief.

It seems to me that as we've done our work in the department, in 1997, 1999, 2000, and then following all that up in chapter 5 in 2004, I don't think there has been really much disagreement between the department and ourselves as to what needs to be done. I think we pretty well have a shared view on that.

The issues we've been raising in 2004 have to do with timing, specificity, and effects. What we've been calling for is what I'd call a detailed action plan from the department, which would list a detailed timeline, specific actions to be taken, and specific effects to be achieved with those actions.

I'd go a little further than Johanne. It would be wonderful if that kind of document could be put in the department's third sustainable development strategy, for example, and then made public next March. That would give all of us something quite concrete and quite public to monitor in the coming months and years. Hopefully that might encourage the department to perhaps take action in the areas in which it needs to take action, in a more timely manner than it has been able to do in the past.

That would be my contribution to this session. Thank you for having us here.

The Chair: Thank you all, on behalf of the members of the committee.

Mr. Stoffer, on a point of order.

Mr. Peter Stoffer: Yes, sir.

I have a little gift for the two women who presented today: on behalf of the committee, a little bit of wine, which she may need it after this; and to Wendy Watson-Wright, a little bit of chocolate pistachios. All the very best, and merry Christmas to you.

The Chair: On behalf of all our members, we want to wish each and every one of you who came today, and your support staff who are here, a very merry Christmas, all the best of the season, and a happy and prosperous new year. And maybe we can fix the fishery by the end of March.

Mr. Peter Stoffer: Don't touch the science.

The Chair: We'll reconvene in 2005.

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