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

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**EVIDENCE**

**Tuesday, April 12, 2005**

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**Chair**

**Mr. Tom Wappel**

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## Standing Committee on Fisheries and Oceans

Tuesday, April 12, 2005

• (1110)

[English]

**The Chair (Mr. Tom Wappel (Scarborough Southwest, Lib.)):** We have quorum. I call the meeting to order.

Our meeting is pursuant to Standing Order 108(2), a study on the turbot quota of the Baffin Fisheries Coalition in the Davis Strait.

Today we have with us Mr. David Bevan, assistant deputy minister, fisheries and aquaculture management, who is a familiar face; and Barry Rashotte, associate director general, resource management.

I know you're chomping at the bit, but I'll give you an opportunity to get a coffee, if you haven't already had it. There's some business I have to conduct with the committee. It's not in camera or anything, so you don't have to go anywhere, but we just have a number of things we have to go over very quickly.

Committee members, number one, we have a meeting on Thursday about Atlantic salmon, with various people concerned about that. The Liaison Committee has adopted new rules for how we pay for things like this. We do not have to, in any formal sense, go to the Liaison Committee to ask for money to pay for the expenses of these witnesses who are coming on Thursday. To cover all bases, we do have to have the committee approve the expenses.

It's all there for you. You will see that the total amount of the expenses requested is \$17,100. We do not anticipate that we will need that much money, because some of the witnesses we invited are not able to attend. There'll be fewer witnesses than we thought, and therefore the amount will be less, but we have to put in an amount, which is the amount that we originally thought would be the case.

Without making a long story short, could I ask someone to move the operational budget request for the study on the Atlantic salmon?

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** I so move.

**The Chair:** Seconded by Mr. Stoffer.

(Motion agreed to)

**The Chair:** Thank you very much. That takes care of that.

Number two, we have a meeting, for those who are interested, in this room, from 3 p.m.—recognizing that question period ends at 3 p.m.—until 3:45 p.m., with Admiral James D. Watkins, United States Navy, retired. He recently served as chairman of the United States Commission on Ocean Policy. He requested an opportunity to

meet with the committee members some time ago, presumably to talk to us about the oceans.

This committee is entitled fisheries and oceans. I just want to remind committee members that it is not a formal meeting. There won't be transcription or anything like that. For those who are interested, we ask you to join us in this room, between 3 p.m. and 3:45 p.m., for Admiral Watkins from the United States.

Because it has to do with the oceans and the issues of environment and environmental protection, etc., we've also invited members of the environment committee. We have absolutely no idea how many, if any, will show, but they've all been invited. They may come as well and we'll have an opportunity for a bit of an interchange with the admiral.

Now, there is something else that just came up. When I say “just came up”, I mean that at 9:30 a.m. on Monday I received a call from Mr. Matthews. He advised me that there would be a delegation here from the Harbour Breton Industrial Adjustment Services Committee. They are in town for a couple of days and they asked, through Mr. Matthews, if the committee would be able to hear from them informally.

I indicated the difficulties with that, the fact that we had a scheduled meeting, but on your behalf, what I did was the following. I said that we would hear from our witnesses today on the issue that we called them forward for. If we had any time left at the end of the meeting, we would invite the Harbour Breton committee to address us informally. If we did not have time, because the questioning took us right till one o'clock, then we would be able to hear, between 1 p.m. and 1:30 p.m., from those members of the committee who wished to stay beyond one o'clock.

I gave Mr. Matthews my assurance that I would be at that meeting so that I could hear these people. Unfortunately, as I told him later on in the afternoon, I have to be at the Liaison Committee at 1 o'clock to discuss a number of things, including our trip to Newfoundland and Labrador. I have to be there because the situation does not look good from a financial point of view. In fact, I'd put it to you that it looks dismally bleak.

The Liaison Committee has taken the position that if the chair of a committee is not there, they won't consider anything from a committee. I'm not suggesting that I can pull a rabbit from a hat and conjure up this work plan, but if I'm not there, it's certain that I can't do it. I will do everything I can, but I have to be there right at 1 o'clock to hear what they have to say as to why they don't have any money even though their budget has been doubled, which I find curious.

So I apologize to the witnesses, or to the committee, if I'm not here when they have an opportunity to give their remarks, but that's the reason for it. We'll arrange for someone to be in the chair at that time.

I understand that Mr. Hearn and Mr. Keddy, both of whom are very interested in hearing from those folks, have to be in the House of Commons on the budget debate at that time. They too may not be able to be here.

I can't think of any other way of doing it, since Mr. Bevan and Mr. Rashotte are already here. We will give them the opportunity to make their presentation, deal with whatever questions we may have, and then, whenever that is over, or when 1 o'clock is reached, we'll invite the Harbour Breton folks to make a brief presentation to those of us who are here.

Sorry about that, Mr. Bevan, but I was as brief as possible. Go ahead.

• (1115)

**Mr. David Bevan (Assistant Deputy Minister, Fisheries and Aquaculture Management, Department of Fisheries and Oceans):** Thank you, Mr. Chairman.

I won't take too much of your time. I just want to try to explain the situation as we see it in terms of how allocations are made in Nunavut. I appreciate the opportunity to appear before the committee to answer the questions on the fisheries adjacent to Nunavut.

More specifically, I'm here to answer the question on the role of the minister and the Nunavut Wildlife Management Board in determining quotas both inside the territorial waters that are described in the Nunavut Settlement Area, and that's inside 12 nautical miles from shore and outside 12 nautical miles.

While the practice is the same, there's a difference in the legal arrangements that are established under the Nunavut Land Claims Agreement. Just to remind the committee, the Nunavut Land Claims Agreement came into effect and was ratified in 1993. Ratification of the claim resulted in the creation of the Nunavut Settlement Area, which is an enormous area in central and eastern Arctic spanning more than 1.9 million square kilometres and containing 43% of the country's ocean coastline.

That settlement area also includes a maritime component, so it's not all land. It does deal with the waters adjacent to Nunavut.

In 1994, the Nunavut Wildlife Management Board was created as an institution of public governance under the Nunavut Land Claims Agreement. The Nunavut Wildlife Management Board was created to be the main instrument of wildlife management in the Nunavut Settlement Area and the main regulator of access to wildlife.

Notwithstanding the creation of the Nunavut Wildlife Management Board, the Nunavut Land Claims Agreement recognizes that the Government of Canada retains ultimate responsibility for management of wildlife. That being said, there are processes established under the Nunavut Land Claims Agreement that guide the exercising of that responsibility.

The Nunavut Wildlife Management Board operates within a hierarchical system of wildlife management within Nunavut. Under the Nunavut Wildlife Management Board there are three regional

wildlife organizations that report to the Nunavut Wildlife Management Board, and then each regional wildlife organization includes a representative from every hunter and trapper organization in the region. Every community in Nunavut has a hunter and trapper organization; therefore, it's a hierarchy going from the hunter and trapper organization to the regional wildlife organizations and ultimately to the Nunavut Wildlife Management Board.

In addition to the Nunavut Wildlife Management Board, there's another organization, Nunavut Tunngavik Inc., NTI, which is an Inuit organization created under the Nunavut Land Claims Agreement. It complements the Nunavut Wildlife Management Board.

NTI implements the Inuit obligations of the Nunavut Land Claims Agreement and ensures that other parties to the Nunavut Land Claims Agreement also meet their obligations. They're the ones who make sure the Department of Fisheries and Oceans, for example, is meeting its obligations under the Nunavut Land Claims Agreement.

The Government of Nunavut was established in 1999 along with the creation of the Nunavut Territory. So in practice, DFO consults with the Nunavut Wildlife Management Board, the NTI, and the Government of Nunavut on all matters related to fisheries and waters north of the 60th parallel in the Davis Strait.

So under the Nunavut Land Claims Agreement, in the territorial waters, the adjacent waters inside 12 miles, the Nunavut Wildlife Management Board makes recommendations on fisheries matters. Under this agreement, the land claims agreement, the minister can accept, reject, or vary a recommendation from the Nunavut Wildlife Management Board, but only for reasons of conservation, public safety, and public health.

In other words, the land claims agreement treats those as decisions of the Nunavut Wildlife Management Board. They are not final. The minister has to review them. Within a specific timeframe, he either varies, rejects, or accepts. But if he does not do something within the specific timeframe, those are, in fact, then accepted automatically by default. He can modify any of these recommendations or decisions based only on conservation, public safety, and public health. There are very specific reasons that he has to follow.

So that's within the 12-nautical-mile limit.

•(1120)

For matters beyond that, the practice has been for the Nunavut Wildlife Management Board to make recommendations or provide advice to the minister. In this case, the minister can accept, reject, or vary recommendations from the Nunavut Wildlife Management Board at his discretion, so his absolute discretion under the Fisheries Act applies outside the 12-mile limit. However, in managing the fisheries in waters offshore to Nunavut, DFO consults the Nunavut Wildlife Management Board, the Government of Nunavut, and the NTI, and the fishers in order to get their advice. We have had the practice—because of the obligations to follow a certain practice inside 12 nautical miles—outside 12 nautical miles of accepting the advice. We have had unanimous advice from the Government of Nunavut, NTI, and the Nunavut Wildlife Management Board over the last number of years, relevant to how their quotas would be dealt with and who would have access to the quotas.

In our view, those local organizations understand the needs of Nunavut communities and are better positioned to consider the impacts of allocation decisions than is the department. We are not, obviously, as close to these issues as are the local organizations. The establishment of the Nunavut Wildlife Management Board and NTI, under the Nunavut Land Claims Agreement, have provided DFO with legally representative structures to consult on the management of fisheries in much of Canada's waters north of the 60th parallel. I would point out that NTI is accountable to the Inuit, and therefore we believe it's prudent for us to follow the same kind of practice outside 12 nautical miles as inside 12 nautical miles.

There's also some question as to how the Baffin Fisheries Coalition was formed. There was an ad hoc group of DFO, NTI, Nunavut Wildlife Management Board, and the Government of Nunavut looking at how fisheries could be implemented and harvested in the waters adjacent to Nunavut. Originally, under the land claims agreement there was a Baffin resource co-op. They did not want to take on the responsibility of fisheries, and at the end of the day, a decision was made that a private entity, the Baffin Fisheries Coalition, could take on the role of organizing the harvesting of the quotas. That group had on its board of directors the hunter and trapper organizations in the area—eleven of them originally. One of them has subsequently withdrawn, but it is our understanding that the other ten remain.

Essentially, that's how the decisions are taken in respect of the allocation quotas in the waters adjacent to Nunavut. We have left it with the local organizations to provide the advice, and that advice has been unanimous in the last number of years.

•(1125)

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

Mr. Rashotte, do you have anything to add, or are you there as backup?

**Mr. Barry Rashotte (Acting Director, Resource Management, Fisheries Management, Department of Fisheries and Oceans):** I'm just here as backup.

**The Chair:** Okay.

Before I call for questions, just so we're clear, Mr. Bevan, I'm sure you said this. I just want to make sure I understand it. I'm looking at

something from the Senate report on the Nunavut issue, and they said that, "although not required to do so by the NLCA, the federal government and the NWMB have agreed that the Board is responsible for allocating Nunavut's share of commercial fish quotas in zone I, outside the NSA".

That's not quite the way you put it, but would you agree with that?

**Mr. David Bevan:** Essentially, that's what the practice has been. If we receive unanimous advice from the three bodies, we have accepted that advice in practice. Therefore, they are the ones who have provided us with advice on allocations, and we don't argue with it. We don't try to second-guess it. We accept that advice and provide the allocation accordingly. Under law, it's not, as I noted earlier, required that this be the case, and there are not the same restrictions outside the 12 as there are inside the 12. But we have treated both essentially the same.

**The Chair:** Thank you.

We'll go to Mr. Hearn for ten minutes.

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

I don't think I'll take ten; perhaps Mr. Keddy could finish up and take care of both of us at one time.

Mr. Bevan, I guess you're here because of conflicting statements we've been getting from the people in the Nunavut area, stating that the resources are given to people who perhaps to a large degree are not catching and processing it for the benefit of the community itself. I'd like your comments on that. You know the arguments, so I won't get into them. Please give us a clarification of why we have the conflict.

Perhaps you could answer the second question first. When allocations were made to Nunavut, were these new allocations?

**Mr. David Bevan:** They received new allocations in 2000 when a fishery in 0A was opening up. That was new. As fisheries expanded, allocations were provided to Nunavut.

Historically, in Cumberland Sound there was an inshore fishery—there still is—that was being implemented. It was one of the historical attachments to the resource, and it's still there, at 500 tonnes, but additional quotas in turbot have been provided, and additional quotas in shrimp as the shrimp resource expanded, so their share has been going up in terms of resources adjacent to Nunavut.

**Mr. Loyola Hearn:** I believe you said the principle of adjacency is playing a big role here, when we're talking about this.

**Mr. David Bevan:** That is particularly, for example, in the turbot 0A. That fishery was not historically prosecuted by anybody else. It was a new fishery, and Nunavut was provided with 100% of the Canadian TAC.

**Mr. Loyola Hearn:** Even though in this case... What I'm really doing here is trying to tie it into a situation we'll face with Harbour Breton. That was even though originally the adjacent area itself did not have the wherewithal to prosecute this resource. It's the setting up of the present mechanisms we have in place to harvest the fish that enables them to get the quota for, hopefully—question mark—the benefit of the area. Is that right?

**Mr. David Bevan:** The quota was provided to them when, of course, the infrastructure was there in terms of the governance. The Nunavut Wildlife Management Board, NTI, the Government of Nunavut, obviously, as well as the Baffin Fisheries Coalition had the wherewithal to find means to harvest the fish, but that wasn't the key issue. The key issue was that there was a brand new fishery with no historical attachment by others who had licences to fish in that area. Because of that, there were no other conflicting issues around allocation. They just had adjacency as the primary—and only—relevant criterion in that particular case.

In the shrimp fishery it was different. In the shrimp fishery we had historical participation; we used the increase in the shrimp TAC to provide additional access to Nunavut, but we did not remove from the shrimp fishery people who had developed it and had a historical attachment to it, so in those cases there was more than just the adjacency issue at play.

• (1130)

**Mr. Loyola Hearn:** How much of the turbot and shrimp is actually processed in Nunavut?

**Mr. David Bevan:** There is processing in the plant in Pangnirtung, but I couldn't give you, off the top of my head, an answer on—

**Mr. Loyola Hearn:** That's mainly inshore.

**Mr. David Bevan:** That's correct. Perhaps you could provide more information.

**Mr. Barry Rashotte:** Thank you. My understanding is that under arrangements with the Pangnirtung plant, some of the turbot harvested by the large DFC vessel is landed there. I forget the quantities right off the top of my head, but a percentage is delivered from the offshore.

**Mr. Loyola Hearn:** None of the shrimp?

**Mr. Barry Rashotte:** At the moment, I don't think there's any shrimp being landed in Nunavut. Most of it, I think, is more likely landed in Greenland.

**The Chair:** Mr. Keddy, you have five minutes.

**Mr. Gerald Keddy:** I have just a couple of quick questions.

Quite often at committee we run into these jurisdictional differences, and quite often we have a fair amount of difficulty working through them. I'm just trying to break this process in Nunavut down to the lowest common denominator.

I understand that outside the 12-mile limit, especially with the shrimp quotas and the history of that fishery.... There's a fair amount of that fishery fished right out of my own riding. But the people who built up the enterprise, who did the legwork, deserve to have a continuing presence in that fishery.

Now, I think what we're dealing with here—this is a little bit outside DFO's jurisdiction, really, but you can certainly help with it—is how we build up, especially in the turbot fishery, not just the fishery itself but the processing as well, and supply jobs to the adjacent communities. It seems to me that we're failing in that aspect of the fishery in northern Canada. I realize that we have to train Inuit to fish with the modern vessels we have, and modern technologies, and that it takes time to train people to run those technologies. But

the bottom line is that we have 20 people from local communities working on the offshore vessels. Do we have any idea of how many other individuals are working on those vessels? What's the proportion among the crews? We have in the area an \$80-million to \$90-million turbot fishery that would be of huge economic benefit to those northern communities where jobs are scarce, hard to come by, and to me, we haven't satisfied the original purpose there, to bring the northern communities into the fishery.

One of your earlier statements concerns me, Mr. Bevan, that if you have a unanimous recommendation from the Nunavut land claims area or from the hunter and trapper association, DFO is likely to follow that recommendation. But how often do you ever get unanimity on any recommendation coming out of the fishery? It's a pretty difficult thing to find. I've never run across it, I can tell you that.

Is there a plan in place to actually see a transfer, especially in the turbot fishery, to the northern communities in order to outfit boats and to help the Inuit from those communities fill those jobs?

**Mr. David Bevan:** From discussions with the Baffin Fisheries Coalition, clearly there was an intention to try to maximize employment on the vessels. In trying to maximize the participation on the vessels, they've been successful, as I understand it, in getting somewhere between 20 and 30 Inuit employees. They would represent somewhat less than half, or probably a third, of the people on board the boat. They rotate through eight to ten Inuit per shift on the vessel. That's not the maximum possible, and hopefully there will be some progress.

Also, the Baffin Fisheries Coalition has been looking for a longliner that would provide, I would hope, additional opportunities for local use of the resource. That is something they're actively engaged in. If they succeed in finding a vessel, the minister will be asked to consider the licensing of a vessel in that area to fish by an alternative gear type that could provide further jobs.

I really can't go much beyond that. As I said, we get a unanimous view from NTI, the Nunavut Wildlife Management Board, and the Government of Nunavut, but I can assure you it's probably not unanimous on the ground, among all the fishers. It's the collective view that they've worked out that provides us with the advice on how to do it. The Baffin Fisheries Coalition is locally owned, so benefits do accrue to local Inuit interests, but employment is still a challenge in terms of getting the maximum potential number of jobs filled by Inuit.

• (1135)

**Mr. Gerald Keddy:** I have a final quick question.

Jurisdiction is a problem, because I don't really see DFO's jurisdiction here as being that of employer or of trying to resolve that problem; you have a different responsibility. However, the Government of Canada has a responsibility here, and at the end of the day, I think we've failed. We have 20 Inuit working in the turbot fishery, we have 24 involved in the fishery through the ice, and we have 56 people employed in processing.

In a \$90-million industry, it would seem to me that somewhere down the road there should be a strategy put into place that's going to transfer at least the bulk of that fishery to the northern communities. We've been there long enough now that we should be starting to see that come to fruition, and I don't think we are.

**Mr. David Bevan:** Obviously there are more than that number employed in the fishery, but there's not a large number, or a large percentage, yet of Inuit. The local interest, whether it's Nunavut—

**Mr. Gerald Keddy:** And the training and the difficulty of that.

**Mr. David Bevan:** Yes, they're clearly working on it. We have a difficult area that's being fished right now. So I think there's progress being made slowly in terms of trying to evolve how the fishery is prosecuted. If they can get the longline vessel, it may help to move it in that direction, but I have to agree that we haven't made the progress in that regard that might potentially have been there.

**The Chair:** Thank you.

Monsieur Blais.

[Translation]

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

I would like to know if you have a plan of action associated with this strategy or the objective to ensure that the communities can eventually benefit from this resource? If so, what is this plan of action? What steps does it set out? Is the plan subject to a schedule? Having an action plan and deadlines to reach the objective with which we are all familiar and recognizing that the community must benefit from its proximity to this resource would attest to the seriousness of this initiative.

[English]

**Mr. David Bevan:** We don't have a specific plan of action with specific steps. We have worked with the Nunavut government, the Nunavut Wildlife Management Board, and NTI, and are accepting their advice. They have the same desire to see local development. If you were asking for a specific plan of action on the part of the Government of Canada in that regard, Fisheries and Oceans has not been engaged in a multilateral plan, but we've been relying on local decision-making to try to move that ahead.

Barry, I don't know if you can add anything else.

• (1140)

**Mr. Barry Rashotte:** A couple of speakers have asked about the strategy. It should be noted that the working group Mr. Bevan mentioned earlier, made up of the entities in the north plus, I think, DFO, did have long discussions on what the best strategy was to develop the fishery. Was it better to divvy out little pieces of quota around the coast or to focus on this larger vessel? After full discussion and review of the options, those entities decided to go with the large-vessel option. So a strategy was developed.

It is also my understanding that the Nunavut government has been in the process this past year of developing a new strategy or policy with respect to the development of their fishery. I expect the local government and these entities will take the initial strategy and bring it down the road a little further to the objective you gentlemen were speaking of, but I have not seen that yet.

[Translation]

**Mr. Raynald Blais:** Yes, but without action, how can this objective or vision for the future become a reality? How can we justify the fact that, at this moment in time, given the demand and the recognition of the problem or challenge, there is no clear and specific plan of action? How can we accept and justify this lack of a plan?

**Mr. David Bevan:** In order to allocate more fish quotas to Nunavut, the Department of Fisheries and Oceans expanded the shrimp and turbot fisheries. We are trying to find other ways to improve their catches. However, the Government of Nunavut and the Nunavut Wildlife Management Board are responsible for finding the best ways to use these quotas to increase employment in this region. As Barry Rashotte just said, they are developing a plan to reach that objective. The Government of Canada and Fisheries and Oceans do not have such a plan. Our plans are to continue to increase their catches in the future.

**Mr. Raynald Blais:** You recognize that, without a concrete action plan in the very near future, the objective will not be reached and, a year or two from now, we will be confronted with the same problem. How come there isn't one? How come nothing is being done anywhere?

[English]

**Mr. David Bevan:** I think the Government of Nunavut is looking at that issue. Originally the plan was to establish a profitable large-vessel fishery, with a view to having that large-scale fishery help provide the opportunity to create more small-scale opportunities. They've been working in that direction, starting with a large factory freezer trawler, moving toward trying to obtain a longliner, and so on.

In our view, it's our job to deal with the quotas and find more opportunities for Nunavut interests. Nunavut itself has to look at its own methods of bettering or furthering opportunities for local employment, and come to us with local solutions for how to best use the quotas they have.

[Translation]

**Mr. Raynald Blais:** Have you put together a task force? Is there one already in place? Are you, to some extent, working with the people of Nunavut to help them reach the main objective? If so, how?

**Mr. David Bevan:** We have not yet received their plan. They intend to—

[English]

When?

**Mr. Barry Rashotte:** I'm not sure. I think we got a draft, but I haven't seen a file.

[Translation]

**Mr. David Bevan:** First, we need Nunavut's plan. Then, the Government of Canada will be able to prepare its response.

• (1145)

**Mr. Raynald Blais:** On one hand, this is a little hard for me to understand. To my knowledge, Fisheries and Oceans is responsible for resource management, unless it is shared in this instance. How can you allow such apathy, if that is what it is?

[English]

**Mr. David Bevan:** As I said originally, we have been following the practice of accepting the local decisions on access and allocation. I think it's clear they want local employment. We've been following their recommendations in order to provide them with an opportunity to essentially start from scratch. Let's keep in mind it's not that long ago that these fishing opportunities were limited to the Cumberland Sound turbot and a few other small activities.

They've been provided with significant opportunity. They get 60% of the turbot in areas 0A and 0B, and that represents a significant increase. They found a way to harvest it. I hope more jobs will come from their plans and their future management decisions on how to best utilize the turbot. But we have undertaken to try to provide the quotas.

We have not really taken on the responsibility—it's not a part of our jurisdiction—of trying to find a way to maximize employment locally. There are significant challenges, in terms of the environment they're working in, the economics of the fisheries, etc. We have left that element to local decision-making.

**The Chair:** Merci, Monsieur Blais.

Mr. Stoffer.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Thank you very much, Mr. Chair.

Thank you, gentlemen, for coming.

The last time I checked, Nunavut was part of Canada and thus DFO has responsibility and jurisdiction over the fishery stocks. What I would like to know is this. Who is responsible to advise the minister regarding issues to deal with Nunavut fisheries? Who takes the lead in your department on that?

**Mr. David Bevan:** We do. The two of us, obviously supported by others.

**Mr. Peter Stoffer:** Okay, so the two of you then would advise the minister on issues facing what we're discussing today.

**Mr. David Bevan:** That's correct.

**Mr. Peter Stoffer:** Okay. As you know, last year there were many press releases, starting in June, and here's what Mr. Efford said: "There's absolutely no way will any foreign vessel come into our waters and harvest our fish when we have Canadian vessels in there and they're out there raping the stocks on the nose and tail of the Grand Banks".

Then Mr. Outhouse said that, according to the deal that was done with BFC, they would have to get them registered; they would have to be owned by a Canadian company.

We know that the *Inukshuk* is owned 45% by Royal Greenland and 55% by Iceland, and here's what they said in an article on July 2. The article said that few ships owned by Icelanders have gotten short-term licences to fish turbot that native inhabitants in the northeast

Canada control, but no one ever before has been able to get their ship registered in Canada and gotten control of quotas for the long time. This comes out of Iceland. They're bragging about the fact that one of their ships registered from foreign interests has control of a Canadian quota.

Having said that, what happened here just recently was the *Inukshuk 1* sailed from Harbour Grace two weeks ago with a full load of shrimp that was caught in SFA5 and SFA6. This shrimp was the trade of Baffin turbot to Kakashuk, which was Canadian registered, and it was from the 2003 award of shrimp to the plants in Newfoundland as part of the compensation for the loss of cod. It was supposed to be landed in these plants, the north of 50 degrees group, but it sailed to Denmark, where all of that Canadian shrimp was processed.

And here's what Mr. Regan said about the deal: we know very well that there's less than maybe four or five Inuit people on that ship; the rest of them are foreign trained. And here is what Mr. Regan said after the deal was done: not only is it Canadian flagged, the fact is it's almost entirely Canadian crewed. Now, Mr. Regan is a decent fellow. He comes from Bedford, Nova Scotia. How would he know that the *Inukshuk* is almost entirely Canadian crewed? Who was advising him on this?

• (1150)

**Mr. David Bevan:** We took advice on that one from Transport Canada. The *Inukshuk* is in fact a Canadian registered vessel.

Now, the standards for that are out of Transport Canada. As I understand it, you're allowed to have a small number of experts on board, engineers and masters, to help with the Canadianization process. It's Canadian registered, and we were informed the bulk of the crew was Canadian—not necessarily Inuit, but Canadian. That's the process that's followed.

On the internal workings between the Baffin Fisheries Coalition and how they've arranged to obtain the vessel, you don't get into that kind of detail. We look at whether it is Canadian owned and whether the Government of Nunavut, NTI, and Nunavut Wildlife Management Board recommended it. Yes, they did, and we went along with that recommendation because it was developing. Instead of having them continue to charter the vessels in the south with no Nunavut crew, this is providing them with an opportunity to direct the vessel themselves and to put local people on board, and that's a process that's still under way.

That's why we went along with the recommendations from the Government of Nunavut, the Wildlife Management Board there, and NTI, and we made that quota available the way it was. The vessel was a Canadian-registered vessel, so that was the reason for the recommendation to allow it to prosecute that fishery.

I would point out that in all the shrimp fishing enterprises, including the ones that have been well established for the last 20 or 30 years, those vessels all started off as coming in, and the foreign vessel was then Canadianized and moved into the fishery. So that is not an unknown practice.

What we have said in Nunavut is, no more foreign bottoms; you have to use Canadian vessels and it's Canadian registered. Who owns the vessel and all that detail is another issue. The people holding the quota have to be Canadian as well. They cannot be foreign-owned companies.

**Mr. Peter Stoffer:** Mr. Bevan, you've said on many occasions that Canadian fish stocks are for the benefit of Canadians. This deal clearly shows that the benefit goes to foreigners. I mean, it's obvious. What happens is that quota is allocated from DFO to the Nunavut Wildlife Management Board. They in turn give it to BFC, which in turn gives it to these private companies. That's what's happening. The shrimp and the fish are heading out of this country and profiting those who.... It's not Canadian-owned. This is owned by foreigners. We have foreigners coming into our waters, fishing our fish, and sending it back overseas. There is no benefit except for a few people, who we already know are benefiting from this. But the reality is that this is why that one organization is getting out of the BFC now.

Surely DFO must have full knowledge of what's going on up there. You can't just say, well, we let the Nunavut government, and NTI, and everyone else do all of this, and turn a blind eye to it. If I'm not mistaken, it is your responsibility to ensure that the maximum benefit of the stocks goes to Canadians. That is not what's happening here.

**Mr. David Bevan:** The quota went to a Canadian company, the investment is Canadian—

**Mr. Peter Stoffer:** It's not a Canadian company. It's owned by foreigners.

**Mr. David Bevan:** The vessel is Canadian. It's a Canadian-flagged vessel. The company that obtained the quota.... It's allocated at the request of Nunavut Wildlife Management Board, the Government of Nunavut, and the NTI to the Baffin Fisheries Coalition, which is owned by the local hunter and trapper organizations. It's a locally owned company. They received the quota. They made business decisions in the process of trying to get their entire operation more focused on local benefits, etc., and they needed access to a vessel. We said, no more use of foreign vessels, you have to use a Canadian vessel, and they got access to a Canadian vessel.

**Mr. Peter Stoffer:** Mr. Bevan—

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

Mr. Cuzner.

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** In trying to summarize, the vessel that's being used is really a hired gun. I see it in our own fishery, where a crab allocation will be awarded to an enterprise within our own community, but they may lease a boat from Newfoundland or take something in from another province. That's not another country, but again it's a hired gun.

I see the merit in the long-range plan, and I see the merit and the challenge in trying to build the capacity within the community. But

what they've worked toward seems to be short-term pain for long-term gain, only the short-term pain has been significantly longer than what they had hoped. But they are getting close to being in a position where they can acquire a vessel. They anticipate doing that in the next number of years—is that what I am to understand?—or in this year.

• (1155)

**Mr. David Bevan:** They've made an arrangement to obtain a Canadian-flagged vessel. The big difference between this and the communities with shrimp quotas that have no licence is they have to find a licence-holder who is willing to fish the quotas they hold under the licence-holder's licence in exchange for some royalty. That's the big difference. Here, there is none of that. The Baffin Fisheries Coalition holds the licence. They're a Canadian organization with the licence. They've found a way to get that licence fixed to the Canadian-flagged vessel, and they're now trying to get more Canadian-flagged vessels engaged in the fishery. So that's what's going on. They don't just have the allocation, they have a licence to fish that allocation.

**Mr. Barry Rashotte:** I'd just like to add that their intention—and I still think it's their intention—was this. These large vessels cost a lot of money, and their proposal initially was to use this vessel and purchase it outright in the name of BFC over a two- or three-year period, but they had to accumulate the money through the arrangement in order to do that. I still think that's their intention.

**Mr. Rodger Cuzner:** I understood that was the intended goal, and that's logical, and it's noble. I would see the benefits coming back to the community if that approach is taken. But has that been stymied, or are we still working toward that?

**Mr. David Bevan:** The details of that are within the Baffin Fisheries Coalition. They've got the opportunity now. They hold the licence, they hold the quota, and in the fishing business that means they hold the cards. It's up to them to use them to proceed with their business plan and implement it. Their intention is not just to get that vessel, but to obtain another vessel. They were informing us that was their intention the last time we had conversations with them.

**Mr. Barry Rashotte:** Just to clarify, my understanding also is that in the arrangement between the Nunavut interests and BFC—and it's hard to clarify who's who—the licence and allocation were agreed to for BFC for only a certain period, and then they will be reviewed based on their performance and how well they met the requirements of whatever the strategy was. I think there's maybe another year left in it, but I know there is a review period.

So the licence and quota are not BFC's forever; the board will come back to the minister eventually and say reissue, or reallocate, or not.

**Mr. Rodger Cuzner:** Okay, thank you.

**The Chair:** Mr. Bevan, I'm a little confused about terminology. You appeared before this committee on October 28. I wasn't here, unfortunately. One of the things you were talking about was the *Inukshuk 1*. You said that DFO acted on the premise that Transport Canada had said it was a Canadian vessel. You were referring to the *Inukshuk 1*. You said a licence had been issued to the vessel, and you understood that had been done before the registration was in place.

I'm confused. What kind of licence were you referring to when you said that?

**Mr. David Bevan:** A fishing licence. Registration would be the Transport Canada registration, and the licence is the fishing licence.

**The Chair:** So what licence were you just talking about when you said the licence belongs to BFC?

**Mr. David Bevan:** BFC had a business relationship, obviously, with the vessel. They said, "This is the vessel we want to have licensed to fish our quota".

**The Chair:** So they have the quota, and then they ask you to licence that vessel to fish that quota. Is that the idea? Is that how it works?

**Mr. David Bevan:** They presented the vessel as their vessel to fish their quota.

**The Chair:** Under the plan that we've just been talking about with Mr. Cuzner?

• (1200)

**Mr. David Bevan:** Yes, that's correct.

**The Chair:** All right. That I understand, from there.

We still have a few minutes. This is still Liberal time here?

**Mr. David Bevan:** Excuse me, I was misinformed. Apparently you have to have a vessel registration and a vessel licence. The vessel is registered under us as well, not Transport Canada.

**The Chair:** So the registration was done by DFO, and the licence was issued by DFO—both.

**Mr. David Bevan:** That's correct, yes.

**The Chair:** What you pointed out in your previous evidence was that the licence was issued before the registration was issued.

**Mr. David Bevan:** Yes.

**The Chair:** And you said that has now been rectified.

**Mr. David Bevan:** Yes.

**The Chair:** That's great, but why did that happen in the first place, if DFO had to do both?

**Mr. David Bevan:** Usually the registration is first, then the licence follows. In this case that didn't happen, and I can't recall the reasons.

**Mr. Barry Rashotte:** I think it was just a mix-up.

Just so you don't confuse things, there is Transport Canada registration that gives it the Canadian flag. That was done. We issued the licence. But there is also a requirement to have—and many of you know these—a commercial fishing vessel, CFV, number on the side of the vessel. That registration, which you just you apply for and get, was not done before we actually issued them the licence to go fishing.

It was just an administrative mix-up. It really had no bearing on the authorities. They were outside the requirement, but it wasn't a major issue.

**The Chair:** Okay.

Now, with respect to the ship, I clearly understand what DFO is saying about how you view its role in this whole arrangement. I understand that. Was DFO aware of the re-flagging issue that Mr. Stoffer has been talking about when the licence was granted to the ship?

**Mr. David Bevan:** We were aware that the vessel had been recently flagged as a Canadian vessel.

**The Chair:** Did you have any input or discussions with the owners of the vessel at any time?

**Mr. David Bevan:** The Baffin Fisheries Coalition indicated to us that this was the vessel they had acquired or obtained to fish their quotas. We don't routinely get into the very deep internal details of companies that have come forward to us. I mean, there are thousands of enterprises. We don't have the capacity to audit every business aspect within those enterprises.

**The Chair:** And I'm not suggesting you should have; I'm merely asking the question. Did DFO talk to the owners of the ship at any time prior to issuing the licence? That's my question. I'm quite aware of BFC's position here.

**Mr. David Bevan:** We are talking to BFC.

**The Chair:** So DFO didn't speak with the owners of the vessel prior to giving it the licence. Is that correct?

**Mr. David Bevan:** BFC was saying it was their vessel, if I recall.

**The Chair:** Nataanaq Fisheries Inc. is the registered owner.

**Mr. Barry Rashotte:** As far as I know, DFO did not talk to that entity. All we did was check with Transport Canada to make sure it was Canadian-registered and had a Canadian flag. We may have talked to BFC about whether they could use the vessel if they Canadianized it—that kind of conversation. We had a lot of conversations with them, so it probably did come up. But with respect to the shareholders of the Canadian company—the one you just mentioned that got the Canadian flag for the vessel—I doubt if we talked to any of them.

**The Chair:** So as long as BFC, the Nunavut government, and NTI agreed, and Transport Canada flagged the vessel as Canadian, you're out of it. Is that correct?

**Mr. David Bevan:** We went along with the advice of the—

**The Chair:** Well, then, who cares how many Canadians are crewing it?

**Mr. David Bevan:** We were informed at the time that this was part of the process. When you Canadianize a vessel, flag it as a Canadian vessel, you have to have a Canadian crew.

**The Chair:** Says who? Transport Canada?

**Mr. David Bevan:** There's more than Transport Canada involved. HRSDC is involved as well. They have to provide a permit to any foreign worker on a Canadian vessel. That's why they're restricted to experts such as the chief engineer or the master of the vessel. There's a time limit, after which they have to be Canadians. The issue here is not so much how many Canadian crew are on board. The issue is how many of those are from Nunavut and how many are Inuit. Right now it's about 8 to 10 per voyage.

• (1205)

**The Chair:** That may very well be. It could be 30. I'm just trying to figure out who says it has to be. Right now, it doesn't appear to be DFO's bailiwick. It doesn't appear to be Transport Canada's. It appears to be Human Resources that makes the rules about how many Canadians are on the ship.

**Mr. David Bevan:** Non-Canadians.

**The Chair:** Okay. Then who makes the decision about how many Inuit should be on the ship?

**Mr. David Bevan:** We were informed by the Baffin Fisheries Coalition that they were going to try to maximize the number of Inuit on the boat. They were looking at 15 per trip. They're only at 8 to 10 now, but they are making progress.

**The Chair:** Was that a condition of your issuing the licence to this particular vessel?

**Mr. David Bevan:** No, the conditions were that it had to be a Canadian vessel, flagged in Canada, with the bulk of the crew Canadian. We were also informed they were going to maximize the employment for Inuit. That was an added consideration, but not a specific condition under policy.

**The Chair:** Understood.

Sorry, committee members. I was just a little confused there.

**Mr. David Bevan:** I would just like to expand on that.

As the Baffin Fisheries Coalition is receiving this privilege on the advice of the Nunavut Wildlife Management Board, NTL, and the Government of Nunavut, they probably have a commitment through them, as part of their agreement, to use this quota for the benefit of the people in Nunavut to maximize local employment. It's those bodies that will be doing the performance review. Based on the results, they may be coming to us with advice in the future.

**The Chair:** I'm just trying to figure this out. This is a game of ping-pong, and the ball keeps bouncing back and forth between one department and another, from Nunavut to the wildlife committee, and now two more departments come into play. All of a sudden, here we have Transport and Human Resources. I'm trying to figure out who carries the ball here. From what I'm hearing from you, the primary responsibility lies with Nunavut. If everything seems all right, you'll go along with it, especially if it's unanimous. Is that right?

**Mr. David Bevan:** It's somewhat right. The primary responsibility rests with the Canadian government. For fisheries, it's with the

Minister of Fisheries and Oceans because it is outside 12 nautical miles, etc.

The practice has been to follow the advice from those three bodies when it's unanimous. So in practice that's what happens, but in reality, under the law, the Government of Canada, the Department of Fisheries and Oceans, and the Minister of Fisheries and Oceans remain responsible for the fishing licences and quotas outside 12 nautical miles. In exercising that responsibility, we have the practice of accepting the advice from the local institutions.

**The Chair:** That's crystal clear from your evidence.

Thank you, Mr. Bevan.

Mr. Hearn.

**Mr. Loyola Hearn:** Thank you, Mr. Chair. I don't mind your using a little bit of extra time. A little more time is very valuable and necessary. Thank you.

Mr. Bevan, when you were here some time ago I asked who owned the fish. Your answer—and I won't quote you directly—was that it's a common property resource and belongs to the people. The minister allocates the fish to applicants based, I presume, on some kind of plan.

When the quotas for turbot and shrimp were allocated to the Baffin Fisheries Coalition, I presume it was because they had a plan to catch, including a boat to catch it in, and a plan to benefit the overall region over time as they developed the property, infrastructure, and whatever, which makes a lot of sense. However, we have also heard recently—and I believe the same day we questioned—about transfers of quotas and the sale of quotas. Once a quota is given to a company—and I'll throw in National Sea in Arnold's Cove as an example here—we're told more or less that company has a fair amount of control and ownership over that quota. Quotas can be sold or transferred within the country. Transferring them outside the country might cause a bit of a stir, but within the country and certainly within a province it doesn't seem to be a major concern.

However, just imagine what would happen if the company involved here decided, because it was a very lucrative venture they were involved in, it would be more beneficial to have the quota transferred or used somewhere else, instead of benefiting the actual people of Nunavut through the landing, processing, and all the things that go with it.

In light of that, how strong is the department in relation to the compliance of a company, once given the quota, to maximize that quota based upon regional plans? We are looking for fish to land here, to operate here, for the benefit of our region. How does the department look at that? Can a company just do whatever it wants? "I think I'll move it over here because I can make more money". Where does the department draw the line on the transfer of quotas?

•(1210)

**Mr. David Bevan:** You are correct, I did say it's a common property resource owned by the people of Canada, and we and the Minister of Fisheries and Oceans are responsible for the management of that common property in a sustainable way for the benefit of Canadians. That means quotas are allocated to individuals, either inshore fishermen or companies, and they have some commercial and recreational privileges when they have that allocation, setting aside the rights of first nations people.

Generally, those quotas are allocated in relation to a plan. That could mean you would have a plan that was similar to British Columbia's for black cod or halibut, where there is an individual transferable quota that allows much more freedom for those licence-holders to have business dealings amongst themselves. That's accepted by the minister, in terms of an ITQ process.

On enterprise allocation on the east coast, where it's exercised by FPI and others, they have the ability within that process to move within their company quotas to maintain efficiencies, etc.

**Mr. Loyola Hearn:** Can they do that without coming back to the department for clearance or a change in the plan?

**Mr. David Bevan:** In that case, yes.

In any quota transfer in Atlantic Canada—you mentioned Arnold's Cove and NatSea—in all quota transfers of that nature, such as if Clearwater wishes to obtain another company with a quota that's an enterprise allocation, they have come back to the minister for approval. The minister would be looking at corporate concentration, for example. In some fisheries there are limits on that, and so on. So there are those kinds of restrictions.

But in the enterprise allocation process, that was provided at a time when offshore quotas were shrinking relevant to the total they used to have, and they needed the flexibility to maintain profitability as the quotas shrank. Therefore, there was a fair degree of freedom provided within the enterprise allocation process so that, if a company owned several operations, we weren't actually at that point looking at the shore; we were looking at what they had to do on the vessels. They had to shrink the number of vessels in order to maintain the ability to operate their offshore operations, because they had way too much capacity. But it wasn't at that point reflected on where they land, and so on. We don't have control over landing sites for purposes other than managing the fish in a sustainable way and in an orderly fashion. We can't dictate where people land, at what price, and those kinds of things.

**The Chair:** That's it, Mr. Hearn.

The last questioner is Mr. Stoffer.

**Mr. Peter Stoffer:** Thank you, Mr. Chair.

Mr. Rashotte, did you say DFO is unaware of who owns the vessels, the actual names of the people? You don't know?

**Mr. Barry Rashotte:** You mentioned that 49% was owned by one company and 51% by another. I'm not sure who all the shareholders in those two entities are, so I can't say 100% that I never talked to—

•(1215)

**Mr. Peter Stoffer:** Would you like the names of those people? We would be proud to provide them to you, if you wish.

**Mr. Barry Rashotte:** If it's not too much trouble, I'd be glad to have them for future reference.

**Mr. Peter Stoffer:** No, you'll have them this afternoon.

**Mr. Barry Rashotte:** Okay, thanks.

**Mr. Peter Stoffer:** I just want to let you know, Mr. Bevan, I find it absolutely incredible that DFO turns a blind eye to this shell game going on up there. You know very well that the Nunavut Wildlife Management Board gave quota to BFC, which in turn gave it to the private company. Jerry Ward admitted that himself. Ben Kovic, who was the president of the NWMB, admitted that he allocated quota to BFC, and at the same time, he was on the board of BFC. Thus, Jerry Ward then collaborated it by saying, indeed, we then turn that quota over to a private company—which he has interests in.

The reality is that you can't just say, well, we took advice, and then kind of walk away from it. This is benefiting foreign interests only. Very little in assets, jobs, or anything are going....

There are four or five people on board that ship—not 8 or 10, but 4 out of 28. It's been that way since it started. And now another vessel, the *Sellas*, is up there doing the same thing.

I just want to point this out to you. In division 0A last year, a ship called the *Hamilton Banker* lost 147 gillnets. I don't know how DFO can allow, for one second, any vessel the opportunity to lose 147 gillnets, because as you know, Mr. Chair, from a previous report, and everybody knows, these lost nets or ghost nets fish indefinitely and are going to destroy the stock.

All that said, and knowing full well that you have to know what's going on up there, I'm asking the DFO or your department to do a complete investigation on how those quotas were given, and how, in God's name, do foreigners control a Canadian quota? How do they do that?

Just to say you have a Canadian flag on your vessel does not make it a Canadian vessel. Maybe in the legal terminology it does, but it's certainly not a Canadian vessel. It is owned by foreign interests, and they get quota that is Canadian going to foreign plants. How does that benefit Canadians when we have Canadian vessels right now that could be fishing that quota on their behalf?

**The Chair:** Before you answer, Mr. Bevan....

Just to be fair, Mr. Stoffer, did we not hear evidence that the BFC gets royalty and that they're accumulating that money in order to further their plan that Mr. Cuzner was talking about?

**Mr. Peter Stoffer:** That's under question, sir.

**The Chair:** That may be, but that's what we heard.

Mr. Bevan.

**Mr. David Bevan:** Again, our information is not that there are four Canadians on board. Actually, it's the inverse. We have been informed that there were more Canadians on board and that there were only two—

**Mr. Peter Stoffer:** Have you checked—you personally—or had anyone do it?

**The Chair:** Mr. Stoffer, we've already heard that if there aren't, that's a problem for the human resources department. It's not DFO's problem.

**Mr. Peter Stoffer:** Well, the Minister of Fisheries and Oceans said it's mostly Canadian-crewed. That's what he said.

**The Chair:** Well, we'll ask him when he comes for estimates, if you want.

Go ahead, Mr. Bevan.

**Mr. David Bevan:** That's the information we had, and it's the information we passed on to the minister, so it's based on that. It's where that testimony's coming from.

Obviously, there are benefits accruing to Canadians if they're working on the vessels. Benefits accruing to Canadians are based on the accumulation of the funds that will be used to buy the vessel outright and to have progress made in moving in that direction. There are checks and balances, with the Nunavut Wildlife Management Board, NTI, and the Government of Nunavut having the ultimate say in terms of providing us with their recommendation on how they want to see their fisheries prosecuted. They have quotas; they're asking us to allocate them in a particular way.

This is about local control, not about foreign benefits. It's about local control, and deciding how they want to exercise the opportunities they've been provided by the federal government. They're the ones providing us with the advice on how best to do that for their benefit.

It's not up to us, I think, to second-guess their approach. I don't know enough about the local communities in Nunavut to have a better view—to provide our minister with better advice in that regard—than would local institutions. We've gone with the local, legally constituted, and democratic institutions.

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

As I said, Mr. Stoffer was the last questioner. That's true, but Mr. Matthews wants to make a comment.

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

I didn't intend to get involved, out of interest for the delegation from Harbour Breton waiting to speak to the committee, but there are a couple of observations I'd like to make, particularly as they relate to comments made by Mr. Stoffer.

I want to say at the outset that we all support Canadianization, but it's not uncommon...if the people sitting behind you today had 20,000 metric tons of fish to process in their plant, they don't have any vessels to catch it, so they'd have to make some arrangements to have it harvested. This is the same case that went on here.

I'm not taking sides here, but as I've told the committee one time before, I came up here a number of years ago and was lucky enough to get 5,000 metric tons of silver hake for an operation in St. Lawrence. There wasn't a pound taken out of the water, because the operator couldn't find vessels with the technology to catch it.

You can oversimplify this stuff sometimes, but it's not uncommon in whatever part of this country it's in for those allocated quotas, if they don't have the vessels licensed and so on, to go somewhere else.

They make arrangements to bring that quota to their ports to process, and create jobs. So we can oversimplify, but I thought I should say that.

To Mr. Bevan, by way of a comment and perhaps a question, when I listened to your response to Mr. Hearn on quotas—

• (1220)

**The Chair:** You're trying to sneak a question in, are you?

**Mr. Bill Matthews:** No, I won't. If Mr. Bevan wants to respond, it's up to him. I'll say it in the way of a statement.

Mr. Hearn talked about National Sea, and the people behind you have just had their plant shut down. Each year, the Minister of Fisheries and Oceans allocates fish. They allocated fish to Fishery Products International. They were operating three groundfish plants for years and years and years.

They've continued to be allocated those fish, but these people have now been shut down. In a couple of weeks, we will not be surprised to hear they're shutting down another groundfish plant that employs in excess of 300 people.

My comment and suggestion to Mr. Bevan and the department is that when the FPI allocation comes up for review again, they should not get what they've been getting over the last number of years, because before you allocate the fish to any company, you should know what the responsibilities have been and what they're going to be to the communities where they have traditionally processed it.

You've been categorical a couple of times at this committee. A month or so ago I asked you the same question Mr. Hearn asked you. You stated categorically that this is a common property resource; it's the people's resource. That being the case, the Department of Fisheries and Oceans, and ultimately the minister, should ask those companies if their plans are going to be the same as they were last year when they gave them the fish, or are they going to change?

That's all I'll say, Mr. Chairman. I think it's just criminal what's going on.

**Mr. Peter Stoffer:** I have a point of order.

**The Chair:** Just a minute.

Thank you, Mr. Matthews.

Just a minute. Mr. Bevan, you were here on the Nunavut issue. I think Mr. Matthews wanted you to take a message. You're welcome to answer if you want, but I'm not calling upon you to answer, as long as you say you heard him.

**Mr. David Bevan:** Well, I definitely heard it. I know the minister heard it yesterday. That would represent a significant policy change, with impacts beneficial in the views of some and negative in the views of others. It's certainly something we'll have to consider, as this issue becomes more and more of a challenge for us all because of changing economics.

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

Mr. Stoffer, you had a point of order?

**Mr. Peter Stoffer:** Yes. In Mr. Matthews' rebuttal, he had indicated that if Harbour Breton, for example, didn't have a vessel they would get someone else to fish their quota in order to bring it to their plants to process; I wouldn't have a problem with that.

The problem with the *Inukshuk* is that they took Canadian shrimp overseas to get it processed; it was not processed in any Canadian plant. I'm sure these gentlemen behind us would be very upset if their quota were processed in another country, and that's what happened up in Nunavut.

**The Chair:** Thank you, sir. I don't think that was a point of order, but it was certainly interesting.

**A voice:** A point of interest.

**The Chair:** It was a point of interest, exactly.

Mr. Bevan, and Mr. Rashotte, thank you very much for coming.

We'll adjourn for just a few minutes to get things organized for our delegation. I'll make some comments when we begin.

The meeting is adjourned.

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