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Chair

Mr. Tom Wappel

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•(0935)

[English]

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

Pursuant to Standing Order 81(4), we're studying the main estimates for 2005-06, votes 1, 5, and 10 for Fisheries and Oceans, which was referred to the committee on February 25, 2005.

As our witnesses today we have, first, Mr. Larry Murray, deputy minister. We have John Adams again, the Commissioner of the Canadian Coast Guard. We have Mr. George Da Pont, assistant deputy minister, human resources and corporate services, again this morning. We have Wendy Watson-Wright again, assistant deputy minister, science. Sue Kirby is here. She is the assistant deputy minister, oceans and habitat. We have Paul Cuillerier, director general, conservation and protection directorate. And we have in the room, if needed, Kevin Stringer, director general, resource management directorate.

I don't think I've missed anyone, so welcome to everybody. I want to apologize for starting a few minutes late.

Deputy Minister, you may be interested to know that Mr. Kamp and I just came from the scrutiny of regulations committee, and the scrutiny of regulations committee has decided unanimously to recommend to both houses that subsection 36(2) of the Ontario fishery regulations be revoked.

I understand, sir, that you have opening remarks. Welcome back from Newfoundland. Hopefully, you'll have some interesting news to tell us about what happened there.

We'll turn it over to you, sir.

Mr. Larry Murray (Deputy Minister, Department of Fisheries and Oceans): Thanks very much, Mr. Chairman. It's a pleasure to be back with our team.

We were going to focus on the coast guard today, and we will. Commissioner Adams has an opening statement.

But in the context of my understanding of your conclusion to the first session, we also have Sue Kirby, who could say a few words about the environmental process, the modernization issue, and fisheries officers in central, Arctic, and Pacific areas. Paul Cuillerier could say a few words about our compliance review and the fisheries officers issue, if you wish us to do that. I think we could do all of that in a ten-minute intro, with your indulgence.

I do have one verbal answer. I think there were two questions left standing. One was on administration and corporate savings, and we'll have a full response in writing to that question for you and the committee next week. The second question was on funding relative to the Atlantic Salmon Endowment Fund, and with your indulgence, after we've had a quick word from the three, Dr. Watson-Wright could give a verbal response to that, if you wish.

If you're happy with that approach, Mr. Chair—

The Chair: Yes.

Mr. Larry Murray: —I'd ask the commissioner to say a few words about the coast guard renewal. And there is a full version of this either being distributed or that will be distributed.

John.

The Chair: Go ahead, sir.

Commissioner John Adams (Canadian Coast Guard, Department of Fisheries and Oceans): Mr. Chair, gentlemen, I'd like to begin my remarks by thanking all of you for your continuing interest in and support of the coast guard. While we may not always agree or have an identical vision of the agency's future and how to get there, it is clear that we share the same keen interest in ensuring that Canadians continue to benefit from a viable and sustainable Canadian Coast Guard.

I was very pleased, as I'm sure you were, to see the government recognize the need for a fully operational fleet and respond to concerns regarding coast guard funding in budget 2005. I would make specific reference to the two offshore science research vessels and the eight mid-shore patrol vessels that have been agreed upon for acquisition.

As you know, the Government of Canada announced its intention to redefine the Canadian Coast Guard as a special operating agency on December 12, 2003. Coincident with the SOA announcement was a move to consolidate responsibility for safety and security policy within Transport Canada. Over the past year, work has been under way to effect the transfer of certain resources and responsibilities to Transport Canada. George Da Pont made reference to those on Tuesday. I'm very pleased to report that the implementation of the coast guard as a special operating agency came into effect on April 1 of this year, with the approval of the Treasury Board ministers.

While we have become visibly distinct from the rest of DFO in our financial tracking and reporting, and we have enhanced our corporate identity, we continue to receive corporate services from DFO. This provides us with economies of scale and ensures that coast guard resources are focused on program delivery rather than on duplicating overhead.

There are a number of other benefits and efficiencies to maintaining the coast guard as an agency within DFO. Coast guard ships and crews are indispensable to the delivery of the department's science and fisheries management programs. A multitude of departmental programs requiring fleet support for at-sea activities are therefore delivered on a multi-task basis. With the coast guard in DFO, the government's entire oceans agenda can be implemented more effectively.

At an operational level, SOA status will not mean big changes for individual employees in their day-to-day work. Individual clients and stakeholders also won't see change with respect to program and service delivery. Where clients and stakeholders are experiencing some change is with the consolidation of maritime safety and security policy in Transport Canada. It's important to note that the intent of the change was to consolidate regulatory policy within Transport Canada.

While initially it may have been a bit difficult to let go, the change has been good for coast guard. The resources transferred represented only a small percentage of the total coast guard resource base, and the move away from regulatory policy has allowed us to streamline the organization and strengthen our focus on operations and delivery of services to Canadians.

With respect to strategic directions, there's no doubt that the future will continue to place demands on the coast guard in the area of maritime security. I'm committed to maximizing the agency's effectiveness and the enhancement of maritime security consistent with the direction laid out in the national security policy. The Canadian Coast Guard's role, relative to maritime security, has shifted somewhat from one of contributing by means of collateral benefits emanating from existing programs and services and general platform support to the establishment of a dedicated on-water maritime security capacity and program. Despite the coast guard's increasing focus on maritime security, the future will continue to bring increasingly diverse demands on coast guard resources. This will more than ever emphasize the need for an efficient, adaptable, multi-tasked organization capable of providing services to a wide variety of clients across government.

I look forward to working with the members of SCOFO in realizing this future, and thank you again for your continuing interest and support.

● (0940)

The Chair: Thank you, Commissioner.

I had trouble, because you didn't exactly follow the script there, and I'm trying to listen and read at the same time.

Commr John Adams: It was the abridged version. As the deputy said, we're trying to squeeze a lot more in than just coast guard.

The Chair: It was the *Reader's Digest* version.

Deputy Minister, what did you want to do now?

Mr. Larry Murray: If you wish, Mr. Chair, we could have Sue Kirby talk for just a few minutes about the background to some of the changes in the central, Arctic, and Pacific areas relative to fisheries officers, habitat, and so on, which I think you highlighted at the end. Paul Cuillerier, the DG of conservation and protection, could talk a little bit more to set the scene, since that I think was the focus you highlighted at the end of the last gathering.

The Chair: Thank you.

Ms. Kirby, please.

Ms. Sue Kirby (Assistant Deputy Minister, Oceans and Habitat, Department of Fisheries and Oceans): Thank you, Mr. Chair.

I'd like to begin by laying out a bit of the policy background for some of the changes we're making in the habitat program as a context for some of what you talked about last time.

Within habitat we've implemented what we call our environmental process modernization plan, which has five elements to it.

The first of those is a risk management framework. We look at an objective, science-based approach to the impacts of activities. We classify those as low, medium, or high risk, and we look at how we measure those activities against the sensitivity of the habitat affected and the potential severity of the impact of the activity.

That's the first element that we've been introducing in a policy sense within the habitat program. We've been working on it now for about 18 months and are at the implementation stage.

The second element is around streamlining, and that refers particularly to those activities that are in that low-risk quadrant. What we're looking at doing there is clarifying the rules of the game, developing some new tools, and we have discussions under way with provinces and territories to do a one-window approach with them to low-risk activities.

The third is around coherent and predictable decision-making, and what we're looking at internally for that is to consolidate our operational practices, to implement new mandatory training programs, to improve performance measurement, and to strengthen the internal governance system between headquarters and regions by having regular meetings so that we can look at best practices on a regional basis. We think this will result in greater administrative fairness.

The fourth element of the modernization plan is around major projects. That already has involved some organizational changes within the department. It's involved some new accountability protocols, and we think it will lead to better harmonization of environmental reviews, both with other departments and with provinces.

The final element of the five points is around improving partnerships. We have a number of memoranda of understanding—one with the Canadian Electricity Association that's been in place for some time, one with the National Resource Industry Association, which is a relatively new grouping of industries in forestry, oil and gas, mining, etc.

In terms of the provinces, we have a number of MOUs, the most recent of which was signed in January 2005 with Nova Scotia. That brings us up to four MOUs, and we have negotiations actively under way with the other provinces.

We also have collaborative work with seven national and regional non-government organizations, mainly conservation groups. We have work going on with the Federation of Canadian Municipalities and with aboriginal groups.

All of that together has given us our modernization plan, and as a result of that, we think we can achieve some cost savings within the habitat program, some of which were included in the most recent budget.

In addition to those changes around habitat itself, we're now starting to look at the compliance and enforcement side of the habitat program. We believe there's a compliance continuum. It starts with educating, with explaining the rules of the game. It includes activities around monitoring and auditing, and it ends with enforcement when that's needed, when we find places where people are not complying with the rules of the game.

Given what we've been doing in the modernization pieces earlier on to clarify those rules, we think we're now in a better position to deal with the compliance continuum itself, and with some changes to modernize it as well. A lot of that will focus on putting more emphasis on monitoring and auditing, which has probably not had sufficient emphasis in the past, some of which will result in our using less recourse to enforcement. That's part of what came out in the budget statement, but without the context that this was part of an overall approach to modernizing the program.

We're not looking just at cutting. We're looking at significant realigning, reallocating. In terms of fisheries officers, we expect one of the benefits to be that we would be able to free up some resources that have been involved in helping with enforcement in the habitat program, primarily in the prairies and in Ontario, and reallocate to some cases of higher need on the coast. That's one of the implications we would expect.

● (0945)

Overall, as you know, with the budget and the ERC changes that were within it, the department does have to find a way to offer some savings to the government as a whole. From the habitat side, the ones we are looking at will involve the habitat program, where in the third year we'd be looking at a reduction, at most, of 42 positions, and some that have been added on in terms of this compliance and enforcement side.

Overall, between the two programs, because there are some changes, there are some reductions, there is some reinvestment, the numbers get to be a bit confusing. Overall, on a net basis in year three, the worst-case scenario we would see for total employee reduction would be 82 FTEs, including both the habitat program and

some fisheries officers. In the first year, those reductions would be significantly smaller. We do expect, in the case of fisheries officers, that there will be a lot of work elsewhere, and we will be maintaining some enforcement capacity for the habitat program. We realize we need to have an enforcement capacity there.

Thank you very much.

● (0950)

The Chair: Thank you, Ms. Kirby.

Ms. Kirby, I mean absolutely no disrespect to you in what I am about to say, and it reflects only on me. I listened carefully to what you were saying, and it was almost as if you were speaking a different language. I really don't think I could repeat to this committee more than 15% to 20% of what you said. It all sounds wonderful, but to me it is incomprehensible.

Mr. John Cummins (Delta—Richmond East, CPC): It's bafflegab, Mr. Chairman.

The Chair: Maybe some specific questions will elicit some specific answers for my simple mind. It sounded great, but I just could not repeat to you what you just said to me.

Deputy Minister, who will be next?

Mr. Larry Murray: It will be Paul Cuillerier, who is the director general of conservation and protection.

Mr. Paul Cuillerier (Director General, Conservation and Protection Directorate, Department of Fisheries and Oceans): DFO needs to modernize and redefine the departmental compliance program. In the review of the program, which was initiated this past winter, we are assessing all program components such as air surveillance, patrol vessels, dockside monitoring, and other tools that support the departmental program. We are identifying skills that will be required for the future. We are establishing enforcement priorities based on a nationally consistent risk assessment process, as well as looking at how the department can better support the fishing plans and conservation objectives related to the fisheries.

[*Translation*]

In the Prairies, in Ontario and in British Columbia, there will be a reduction of up to 80 positions, in the number of fisheries officers assigned to protecting fish habitat. The loss of these positions will be partially compensated by new positions to monitor the habitat, as Ms. Kirby mentioned earlier. We will continue to support the Habitat Program that is now in place. A certain number of fisheries officers will be in charge of some of the most important investigations and legal cases.

[English]

We feel very confident that there will be jobs for all fisheries officers, and we will initially target vacant positions and the attrition rate to minimize the impact on employees in the program. We have already met with the union on two occasions and presented to them our plan for securing jobs for all fisheries officers. We will not be reducing the enforcement effort related to fishing, and we intend to use all means at our disposal to deal with non-compliance issues.

We know there are a number of priority areas that will receive special focus, one of which was highlighted in your recent report about the Fraser River salmon fishery.

[Translation]

I would like to thank you for your report as well as your support for the Conservation and Protection Program. Across the country, the Conservation and Protection Program is enforced by approximately 650 fisheries officers devoted to meeting the department's conservation and sustainable development goals. We will continue to do good work. Thank you very much.

The Chair: Thank you, sir.

[English]

Yes, Deputy Minister.

Mr. Larry Murray: Mr. Chair, if you wish, I believe there was a question on the salmon issue, and we could respond verbally.

The Chair: I believe that was the information we had, which was a 40% cut in the head biologist's budget in Moncton, or something like that.

Mr. Larry Murray: That's the response.

The Chair: Doctor, please.

Dr. Wendy Watson-Wright (Assistant Deputy Minister, Science, Department of Fisheries and Oceans): Mr. Chair, actually, that would be the chief of the diadromous division, which includes all the salmon in the Gulf region.

The expected A-base budget for that division this coming year is the same as last year overall, but last year the region was able to augment the operating dollars portion of the budget by \$40,000. This year that flexibility to reallocate is not there, so in fact the A-base is the same, but there is no reallocation to augment the budget.

The Chair: What does that mean?

Dr. Wendy Watson-Wright: It means there will be \$40,000 less in the O and M portion of the budget. The overall budget, compared to last year, would be about 5% less.

The Chair: And the head biologist portion of that?

Dr. Wendy Watson-Wright: The head biologist is in charge of the whole division, so that would be the budget he'd be speaking of.

• (0955)

The Chair: I'll leave it to members to probe this if they wish.

Deputy Minister, did you want to say a few words about what happened at the conference with respect to foreign overfishing?

Mr. Larry Murray: The conference is still in session, but it's fair to say that it was going extremely well the first day or so. The kick-off, the welcome of 45 countries and 16 ministers, which ended up

being 19 ministers, was wonderful. The Newfoundland setting couldn't have been better. A strong ministerial declaration resulted. I have copies of it that I'd be happy to share. I'm sure the minister would wish to speak to it.

With respect to the declaration, we achieved more in some areas than we anticipated. We looked at things like opting-out clauses and how to improve regional fisheries management organizations. There seemed to be a consensus on moving forward. There's been a series of working groups going on since the ministerial round table, and the conference comes back into plenary today. I don't know what the results will be, but we'll ensure that the minister brings them back to the committee when he appears on May 17. I can leave the ministerial declaration with the clerk, in English and French.

It was all very positive. The Australian minister was here yesterday, and he was pleased with everything as well. The commissioner for the EU also spent a day in Halifax touring BIO. I was with him, and he was quite positive and played quite a constructive role. The title of the conference is *Words To Action*. We'll see what action comes out of it, but during my time there the words certainly seemed to be tending towards action.

The Chair: Thank you, Deputy.

Mr. Hearn.

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

I want to say to the deputy that it's great to see the attention being brought to Newfoundland. That stuff doesn't hurt us.

Unfortunately, even as we meet and talk, a boat is being boarded off our coast. Our own fisheries officers are being kicked off the boat, and we can't do a darn thing about it. Really, the more things change, the more they remain the same. However, the work of the committee has at least started people thinking and maybe things will change.

I'm pleased with what's happening with the coast guard. With respect to the funding that has been allocated in the budget for offshore involvement, observation, enforcement—what happens if the government suddenly comes to an end and the budget doesn't pass? Does your life stop or do things continue to roll through the summer, the fall, whatever the case may be? Would you lead us through the possibility of an end to government within the next month? I ask that because it's not hypothetical. It's quite realistic and it would be nice to know where we are.

The Chair: Deputy Minister, before we get to the answer to that question, which is going to be fascinating, we would like a copy of the communiqué you referenced.

Go ahead.

Mr. Larry Murray: Thanks very much, Mr. Chair.

I'll ask Mr. Da Pont to give the technical response.

If I could just comment on the first commentary relative to what's actually happening in the offshore, I certainly share—I think we all share—a level of frustration, and we're a long way from the finish line on ensuring absolute compliance. I would have to underline that there have been some really quite significant advances.

We now have an open invitation from Spain. We had fisheries officers in Spain last week, for example, inspecting two vessels. So there is progress being made, which is not to say that the kinds of changes we all want aren't essential, but I just want to underline that we are making headway.

In terms of the budget, I think it's fair to say that we would certainly press on from our perspective in moving forward the various initiatives we have under way to try to ensure that we continue the focus on operations. In terms of the coast guard, some of the previous budget exercises and so on have provided us more money for the offshore. From my perspective, we would do our utmost to carry on and do that.

But at the end of the day, it would become a little more challenging in the context of the fact that there were a number of very significant enhancements in that budget to coast guard modernization. The national aquatic animal health program; the further additional money for the offshore; the twenty million last week, of which eleven and a half million is for more science in the offshore oceans action plan; invasive species—there are a lot of initiatives in that budget that are quite significant in terms of this department's ability to go forward.

I think it would create a degree of uncertainty, and we would deal with it, but in kind of a strategic sense, the minister has been clear—and certainly within the department it's clear that we would do our utmost to press on and maintain our presence, certainly in the context of your report and the Williams report. With the pressures last year in Southwest Nova and so on, we clearly have to have a visible and effective enforcement presence there. Somehow we will do our utmost to do that during this period of uncertainty.

George, do you have anything technical to add?

•(1000)

Mr. George Da Pont (Assistant Deputy Minister, Human Resources and Corporate Services, Department of Fisheries and Oceans): There are a few technical things I can add.

The Chair: Mr. Da Pont, on the technicalities, I understand that the previous budget bill is currently still in the Senate, the other place. In the event the government is defeated, the previous budget, or parts of it, would not have been passed. Am I right on that? Maybe you could comment on this as well.

Mr. George Da Pont: On that question, Mr. Chairman, I'm not sure, so I can't comment on it.

On the situation if the budget is not passed, obviously, as the deputy indicated, there would be no base of authority from which to proceed with the funding announcements. There might also be some questions around whether and how to proceed with the expenditure review committee announcements.

In that scenario, I think the only thing we could do as a department is obviously to seek direction from the centre, from the Privy Council Office, on how to deal with the situation, which would be common I think to all government departments.

The other technical issue is that—as I'm pretty sure the committee is aware—funding for the department was voted through interim supply, which runs until the end of June. Again, if that is the point, we would technically run out of money and authority to spend money. In that scenario, we would have to get interim funding, as would other government departments, through special warrants.

The Chair: All right. Thank you.

With no time lost to you, Mr. Keddy, go ahead.

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

I'll just make a comment. Sitting here this morning, listening almost with.... It's fascinating, but it's depressing. You know, you guys have a hell of a job, really. I don't know how you do it.

You have to follow government orders and somehow make the organization that controls the fishery work, but you don't have dollars enough to do it. If the government falls, I think the answer to that one is—and I'm not trying to put words in your mouth—there are certainly supplementary estimates to run on. The only thing that would be threatened would be new initiatives that the money hasn't been found for yet, but as for the absolutely abysmal and pitiful amount of funding you have to work with now—you'd still have that little pittance the government doles out to you.

It's shameful. It really is shameful.

•(1005)

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): It could get worse.

Mr. Gerald Keddy: Well, I can't imagine it getting any worse, gentlemen. In the best of times you've managed to cut fishery funding practically to nothing, so I expect anyone else could do an equally good job.

I have a couple of questions on the main estimates after those comments. We're seeing all these initiatives...and I'll take one: for instance, the \$30 million for Atlantic salmon. It's a very small part of the budget.

Everything I see about this \$30 million of supposedly new money is that it's coming from within the department. We're cutting back enforcement, we're cutting our biologists' budget. I don't know where the new money is coming from. We have a serious situation with Atlantic salmon, and I don't want to dwell too much on Atlantic salmon because there are a million other important areas, but that \$30 million has basically come from your budgets. Can you correct me? Where is the new money?

I'll just point out that total spending has decreased by 2% in 2004 and 2005. Now we're moving on to next year, but the operating expenditures are decreased. There is a huge capital expenditure decrease. Grants and contributions have decreased. Program activities, Canadian Coast Guard, small craft and harbours—the budgets were cut by 5%, 6%. You can increase budgets, but you're not going to make up for the decreases that you had in 2004 and 2005.

The Chair: The question is?

Mr. Gerald Keddy: The question is, where's the money coming from? Where's this increase in budget, if we're still cutting enforcement, still cutting all these areas in the fishery? For instance, on this small number of \$30 million—where's that extra money coming from, if it's not coming from the decreases we've already seen?

Mr. Larry Murray: The \$30 million Atlantic salmon fund is new money coming in. It will be set up with an arm's-length agency. There's a lot of activity under way, for the reasons outlined, to try to ensure our work on a wild Atlantic salmon policy draws on our experience in the wild Pacific salmon policy. It is a long time coming and will be launched at the end of May—

Mr. Gerald Keddy: I did ask you a question, Mr. Murray, and I'm sorry to interrupt, but it's time-wise. If the \$30 million is new money, then I would be able to say that after the decreases in 2004 and 2005, in the overall budget, we're going to have more money; in the overall 2006 budget, we'll have more than we had in 2005.

Mr. Larry Murray: That's actually true, but my point—

Mr. Gerald Keddy: Okay, if that's true, then you have to explain to me why we're cutting enforcement, cutting all these other areas of the budget that we so desperately need, if we're going to continue on with the fishery—including funding to small craft and harbours, including all these other areas. If there's money in the budget, why do we have to cut departmental areas?

Mr. Larry Murray: In terms of the Atlantic salmon endowment fund, it is, simply stated, new money, as per new money for whatever.

In terms of the other ins and outs, all those initiatives I mentioned—the approved announcements in the budget, national aquatic animal health, the increased money for the presence offshore, which has now had \$20 million added to it, the oceans action plan, which has a chunk of science and a variety of things to it, the coast guard modernization—all of those initiatives all involve money into the department.

The ERC is an effort around reallocating from lower to higher priorities. All departments were asked to put on the table for consideration 5% of their ongoing operating budget. That creates an outflow. In our case, it's not at 5%; it's less than 5%. In relation to that operational funding, we're still engaged in discussions with the centre around the reality that, from my perspective, some of those higher-priority reallocation-to issues reside in this department.

The ERC dealt with the outs. There's still some discussion under way around core operational funding and that kind of thing. There are a number of initiatives here that are under way that don't necessarily connect directly with each other. At the end of the day, I believe we end up with about \$50 million more.

In terms of the point about reducing enforcement or issues around science, all of these various initiatives haven't landed yet. Quite frankly, in terms of fisheries officers and scientists and so on, we have to work our way through a fairly complicated in and out of all of this process to see where we land.

Certainly, the intent would be to move the resources to where this committee has been very clear—and I think most Canadians are clear—that they are wanted, and that's at the cold or sharp face, and that's what we're trying to do. I think it's not necessarily a conclusion that enforcement has been cut...because there are a number of other initiatives in play here besides the ERC reductions.

• (1010)

Mr. Gerald Keddy: I understand.

The Chair: That's it, Mr. Keddy, I'm sorry. That was a long time.

[*Translation*]

Mr. Roy, you have seven minutes.

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Thank you, Mr. Chairman.

For a few years, I have had a very specific concern over aids to navigation. How many lighthouse sites still belong to Fisheries and Oceans Canada, and that you are responsible for?

[*English*]

Commr John Adams: There are 262.

[*Translation*]

Mr. Jean-Yves Roy: Does the figure of 262 refer to the number of lighthouse sites? I am not necessarily talking about automated lighthouses which are not currently being used by Fisheries and Oceans Canada, but that still belong to the Department.

[*English*]

Commr John Adams: They are fixed aids with a light on them. Some of them are staffed. They are all there for navigation purposes.

[*Translation*]

Mr. Jean-Yves Roy: Are the 262 sites you talk about active?

[*English*]

Commr John Adams: Yes.

[*Translation*]

Mr. Jean-Yves Roy: Are there still non active sites that belong to Fisheries and Oceans Canada and which have not been transferred to Heritage Canada?

[English]

Commr John Adams: All of our sites are active. We have no inactive sites. If they're not active, we declare them surplus. We've long ago declared them surplus and they're out of our inventory. Some of the active ones are heritage sites within the coast guard and within Fisheries and Oceans—about 40, I think.

[Translation]

Mr. Jean-Yves Roy: Those sites come under the Canadian Coast Guard. There are 40 sites which can be considered heritage sites and which still come under the Canadian Coast Guard. Is that what you are telling me?

[English]

Commr John Adams: I mean Fisheries and Oceans writ large.

[Translation]

Mr. Jean-Yves Roy: Under Fisheries and Oceans Canada.

What is the yearly budget allocated to these sites?

[English]

Commr John Adams: I can't give you that number for light stations per se. I can tell you what we're allocating for aids to navigation writ large. I'll have to get that exact number. It's split between the coast guard, which is responsible for the operational aspect of the light, and Mr. Da Pont's corporate services, which is responsible for the physical side, the infrastructure, the buildings, associated with the lights. It's between us both.

[Translation]

Mr. Jean-Yves Roy: Nowhere in the Department's budget do I see funds allocated to the 40 non-active sites that the Department of Fisheries and Oceans is still responsible for. In my opinion, these non-active sites are falling apart quickly and have not been transferred. They are not necessarily considered as heritage sites.

[English]

Commr John Adams: Let me just clarify one thing, before I turn to George.

The fact that they're heritage does not mean they're not operational. All of our lights are operational lights. Some of them are heritage by virtue of their age and their status in accordance with our heritage status, but they're all operational. So the 40-some that are heritage are operational.

I'll ask George if he can help at all with respect to the moneys allocated to the upkeep of those stations.

•(1015)

[Translation]

Mr. George Da Pont: With respect to the current budget, I will have to do some research because I do not have the figures with me.

It is true that we are responsible for a certain number of sites which are no longer used for operations. We try to transfer these sites to provincial governments and other interested organizations. It is true that we are not investing a lot in this type of sites specifically because under Treasury Board's policies, we cannot invest in property that is not essential for operations. Indeed, it is kind of a flaw in the policies and regulations.

We are in discussion with the Treasury Board and Heritage Canada to find a solution to this situation. On the one hand, a policy stipulates that we cannot make an investment and on the other hand, the policy relating to heritage states that we must make sure these sites are kept in good condition.

In addition, the Department does not really have the money necessary to make this type of investment. If we want to earmark money within the Department, amounts would have to be taken away from other programs. We do not really have the necessary flexibility to do so. We are discussing the situation of heritage sites with other departments.

Mr. Jean-Yves Roy: Do you think that your discussions will lead to results quickly? With respect to the issue of divestiture, the Government of Canada usually sets aside sums to refurbish these facilities. In the majority of cases, these sites are hardly contaminated. We would therefore need a rather substantial budget to be able to transfer these sites to provincial governments or to non-profit organizations.

You tell me that currently there is no policy, and that you have no means to maintain these sites. In addition, these sites are deteriorating fairly rapidly. That is what you are telling me.

Mr. George Da Pont: In a way, that is true. We hope to achieve results from other departments in a few months for sites that are no longer necessary for operations. But that does not mean that the situation does not pose a real problem.

Mr. Jean-Yves Roy: Thank you.

[English]

The Chair: Merci, Monsieur Roy.

Mr. Stoffer, please.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Chairman, thank you very much.

I just want to advise the committee of the very special day today. It's May 5, the actual liberation of the country of Holland by our veterans. What I'd like to do is give a really nice veteran in this room today my Canada-Dutch liberation pin.

Well done, buddy. There is a good old veteran over here.

Some hon. members: Hear, hear!

The Chair: For the purpose of the record, the pin was given to the deputy minister.

Mr. Peter Stoffer: My questions will take you right across the country, so we'll start on the west coast. Sir, can you please tell me what has developed with the Taku watershed and the Redfern application for a road going from Atlin to the mine? That's question number one.

It's come to my attention that the Freshwater Fish Marketing Corporation in Winnipeg is taking fresh fish from the prairie provinces and having them processed in China. If indeed that is correct, I would question why a crown corporation, whose reason for being is to enhance the opportunities for fishermen in the prairie provinces, especially for aboriginals and for plant workers, would ship product to another country and then bring it back.

The other issue, of course, is the coast guard. Right now, we know that the funding is for the future, but there's a serious cash crunch within the coast guard now in operating and maintenance. I understand you're having discussions with the Treasury Board. Can you please tell us how those discussions are going to meet the current cash needs of our coast guard immediately?

The last question is about trust agreements for lobsters on the east coast. I was wondering if you could please tell us what the department is doing with regard to those trust agreements.

Thank you.

• (1020)

Mr. Larry Murray: Thanks very much.

I'll ask Sue to take the first one on the coast guard.

Ms. Sue Kirby: In answer to your first question, as I believe you're aware, the Taku River Tlingit First Nation has raised some issues around the consultation process. We are just in the process of having the Department of Justice review the adequacy of the consultations that have been undertaken, and that work is under way.

Also, as I believe you know, the public comment period has just ended, and we are going through and reviewing the number of public comments we did receive during that period, so we're just in that review process as well.

Mr. Peter Stoffer: Thank you.

Mr. Larry Murray: To the second question, relative to the Freshwater Fish Marketing arrangement, I don't have the answer. I don't know whether Kevin does. We'll have to get—

Mr. Peter Stoffer: Is it possible to get back to us?

Mr. Larry Murray: We'll get back to you on that one.

In terms of coast guard operational funding, I'll let the commissioner say a few words. But it is fair to say that we are engaged in discussions, and in fact we have tried, to some extent, to deal with that problem before the fact in terms of the way the initiative on the coast guard modernization went forward, to make sure that we did incorporate in it the O and M for the future ships. So we are trying to deal with that in the future as some of these new projects go forward, but we certainly are working hard with the board.

Certainly this committee's views have been quite helpful, as have views of others, and there is certainly, I would say, an understanding at the centre that in terms of operational pressures, we have a number of them coming at us that we have to deal with. The Williams report on enforcement in the Fraser is another example.

John, I don't know whether you'd like to say something else.

Commr John Adams: No, other than to confirm that like many other sectors within the department, we are under financial pressure and we're working hard to try to adjust to that.

Mr. Peter Stoffer: Trust agreements.

Mr. Larry Murray: On the final question on trust agreements, it is clear—and I think we've discussed this certainly with this committee before—that in order to move forward with fisheries renewal in a meaningful way, certainly on the east coast, we have to

deal with owner-operator fleet separation, and inherently entwined in that is the trust agreement issue.

We do have a team under way at the moment, and we do know we need to move forward in short order if we're going to be coming back with proposals for legislative changes and so on by the fall.

But I might let Kevin Stringer say a few words more about that process and about John Hanlon's work.

Kevin.

The Chair: For the record, we've invited Mr. Stringer to the table.

Kevin Stringer, go ahead, sir.

Mr. Kevin Stringer (Director General, Resource Management Directorate, Department of Fisheries and Oceans): Thank you.

The issue of trust agreements has been a challenging one for some time. There are a lot of complex and interrelated issues around the owner-operator fleet separation policies—two separate policies that are related—the issue of intergenerational transfer, the issue of tax status.... There are just a lot of issues, and it's very complex.

Last year there was a discussion paper that was released I think called "Preserving the Independence of the Inshore Fleet in Canada's Atlantic Fisheries", which outlined some of those issues and made some suggestions and some options in terms of ways to move forward to manage all of this to ensure that we are meeting the owner-operator fleet separation policy, which is clearly a policy that's been reiterated for years and years.

The challenge, as I think you folks know, is that we understand there are third-party arrangements that we are not party to, and it's very difficult to get at those when they are between two separate parties who have the authority to do that.

Having said that, following the discussions last year and the consultations, a process has been now set up with John Hanlon, who the deputy mentioned, who has taken on this project to try to move forward, frankly, to figure out a way forward. He has been meeting with folks within our department and has started to talk to people in industry as well about some options to address this issue and at the same time deal with the issue of intergenerational transfer.

As the deputy said, we've been trying to move forward on fisheries management renewal in general. We're aware that particularly in Atlantic Canada it's very difficult to talk about anything in terms of bold new visions when that issue continues to be out there. So that's the intention. That process has been under way I think since late last year, and we're hoping to have something to come out and say, here are a number of things we can do.

To be candid, I'm not sure if we're going to have a bullet solution that says the issue is resolved, but we'll have a number of measures we think we may be able to take that will assist in dealing with that set of issues.

• (1025)

The Chair: Thank you.

Mr. Murphy.

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

First of all, I just want to congratulate the whole department on the conference in St. John's and to ask the deputy minister to pass on my congratulations to your staff for the time, energy, and effort everyone put into it. It's certainly a monumental effort to bring people from all over the globe to such a conference as this. It certainly was a tremendous effort on the behalf of the Government of Canada. Perhaps it didn't have the media attention it deserved.

My question is to the deputy. Can you elaborate on the nature of the ministerial declaration? And where do you see this going from here? Do you see a follow-up convention held in another country?

Mr. Larry Murray: I'll just touch on elements of the declaration. What we were really trying to do was to put practical things in the declaration to try to move the agenda forward. Among them was to get as many nations as possible to become parties to the underlying element. The overall Canadian strategy as well is to try to make regional fish management organizations globally more effective, building the UNFA principles into them so you do have effective dispute resolution mechanisms, so you don't have opt-out clauses, and so you do have solid, credible sanction regimes so that if individuals—either individual owners, individual masters, or flag states—don't follow the rules, the punishment is more than something that could be called the price of doing business. The real focus was to try to get things into the declaration along those lines.

The other element is to move these organizations to a precautionary, science-based approach. We did get agreement in the declaration to look at implementing a decision-making process that relies on the best scientific information available, that incorporates the precautionary approach, that incorporates ecosystem considerations, that uses criteria for allocations that properly reflect the interests and needs of coastal states and developing states, including small island developing states, and so on.

Part of the challenge that really comes through when you have 45 nations...and about half of the ministers there were from developing nations. Clearly, unless the rest of the world can help them get somewhere...they really need to feed their folks. It's an issue not dissimilar to what we face in some of our coastal communities, so we need to help developing states move forward. That was part of this.

Ensuring conservation and sustainable use there...establishing or strengthening the monitoring, control, and surveillance of regimes of the RFMOs; putting in place joint MCS systems so we're exchanging intelligence between nations so we follow the bad actors and we nail them within RFMOs that are effective....

We also did get into this document words around strengthening, as I mentioned, dispute settlement to provide for the review of fisheries conservation management decisions in behaviour following opting out. This is the first declaration, as I understand it, where opting out has ever made the standings. Now, that may not be as strong as all of us might like, but it's in the document and moving forward. I won't go further into it. I will share it.

In the final paragraph of it there was some struggle on that, but there was agreement by the ministers "that officials identify practical ways to move forward on the commitments of Ministers as set out in this Declaration", so hopefully, coming out of this thing—and we'll see later today—is some practical stuff to move forward.

In terms of follow-on meetings, this one is well timed in that it builds on a recent meeting in Rome. There's a North Atlantic ministers' meeting coming up at the end of May that is going to take a similar theme. All of these things I think are moving towards the UNFA review, which is in May of 2006. It's heading towards that. There really is some significant movement happening by some of the traditional high-sea fishing nations, so this will feed into a series of upcoming meetings.

In the \$20 million the minister announced last week, we have, as I said, more money for science and more money for some capacity for Foreign Affairs and this department to ensure Canada is actually engaged and involved and we keep this agenda moving forward as best we can.

• (1030)

Hon. Shawn Murphy: I have two other questions in my time remaining, and one is back to you, Deputy. Back about three weeks ago the Prime Minister made an announcement that there was an additional \$20 million being allocated to these efforts. Can you share with this committee the strategy you see the department following in this whole process in using these resources?

My second question—I'll give it to you now—deals with the whole issue of small craft harbours, and I guess that's to you, Mr. Da Pont. I went over the estimates, and again I come back to this Nunavut issue. I don't see a really clear strategy there. It's a situation where we have a developing industry there. We've had a number of different groups appear before this committee talking about quota, but a lot of these people aren't fishing the quota; they're basically selling them in the Davis Strait.

Really, for us to effectively develop the fishery there, emphasis should be put on the inshore fishery, within limits. There's a total absence of any infrastructure. It's not a matter of wharves being in bad shape; they're not in bad shape at all because they don't exist. What is the strategy there?

There's another point. Maybe it's not a fisheries issue, but it's the whole absence of a port in that area. Of the fish that are being caught in the Davis Strait now, I understand most of them are being landed either in Greenland or hauled back to St. Anthony, Newfoundland. It would certainly make sense to have a major port in Nunavut.

Does the department have a strategy, and is it reflected in these estimates?

Mr. Larry Murray: I'll take the second question first. As part of an overall evolving small craft harbour strategy...we agree with what you've said. We have been working with Nunavut, in fact doing a study with Nunavut. The minister was just in Nunavut last week I think, and the needs, as mutually agreed on at the moment—although this isn't a formal position—are for about seven small craft harbours.

We think the bill will probably be for about \$35 million, and the strategy is to do that either as part of an emerging small craft harbours strategy, which I certainly think this committee thinks we need, or perhaps as part of the northern strategy or whatever, but we are engaged. At the moment that would not be reflected in these estimates.

The first question was...?

Hon. Shawn Murphy: The first question was just on the \$20 million. If it's not developed, you may want to share it with the committee at some future date.

Mr. Larry Murray: I can give the highlights. The strategy or use for the money we got in the budget was to maintain the presence on the nose and tail. We see that as being essential.

The additional \$20 million is to do more science in relation to that, primarily focused on the nose and tail. About \$11.5 million of the \$20 million is for science.

Some of that would also contribute more globally. It would give us the ability as well for a stronger diplomatic approach. There is a fisheries ambassador concept buried in it, which Canada used quite effectively at the time of UNCLOS, as I understand it, so there's a fisheries ambassador. There's an advocacy component as well, so Canada is present, is visible, and is making our point heard around the world.

I would say that would be the essence, so it's continuing presence, being more effective diplomatically, building all of this on science, and ensuring our point of view is known around the world.

The final component I mentioned is developing states. There is a component of it as well to assist developing states in implementing UNFA in their various locations around the world, because that's really critical to moving this forward globally.

•(1035)

The Chair: Thank you, Mr. Murphy.

We'll go to Mr. Cummins for five minutes.

Mr. John Cummins: Thank you, Chairman.

Dr. Watson-Wright, in a March 26 article by Peter O'Neil in *The Vancouver Sun*, Dr. Brian Riddell said fish farms in the Broughton Archipelago are the probable source of a huge increase in lice found on wild salmon in 2004. You wrote a letter to *The Vancouver Sun* shortly thereafter and you took exception to that. You noted that comment and you said DFO is looking at all causes of sea lice on wild salmon.

My question is this. Is it not true the most likely source of sea lice, the millions of salmon with lice on salmon farms, has not been investigated as a source in any directed research by DFO to date?

Mr. Larry Murray: Go ahead, Wendy.

Dr. Wendy Watson-Wright: In terms of your question as to whether we've investigated the source of sea lice, that's what we're in the process of doing. We began a sea lice and salmon monitoring program in 2003. That is continuing. In fact, our folks are in the Broughton Archipelago as we speak, undertaking that monitoring.

It's important to establish a baseline, as you would know. That has not previously been established. It's also important to have it for more than one year; hence, the reason we're back out there. And I expect we'll be out there for a few more years.

Mr. John Cummins: My understanding is that the wild juvenile salmon sea lice monitoring program has specifically reported that it is not designed to look at the link to salmon farms, and that work by other DFO researchers has examined overwintering wild salmon as a host and found some with sea lice. But the total number of lice they found on wild salmon was less than 0.01% of the total number of sea lice known to be found on salmon farms.

My question, again, is, why has DFO never compared data on sea lice found on wild salmon with the sea lice loadings on salmon farms close by, and why has DFO never done a sentinel cage study to look at the link between salmon farms and sea lice loadings on wild juvenile salmon?

Dr. Wendy Watson-Wright: In terms of looking at the data from the salmon farms, we are now working with the province to establish those numbers. We are working very well with the industry as well. I think those may come, Mr. Cummins.

Mr. John Cummins: It's interesting. You say you're working with the province and you're working with the industry, both of which have a vested interest in the promotion of aquaculture.

Mr. Riddell, the scientist, was attached to the Pacific Fisheries Resource Conservation Council, but when funding ran out to that position, he had to go back to DFO.

We're all aware that the PFRCC did a considerable amount of research into the problem in the Broughton Archipelago and came to some conclusions. It seems to me that Mr. Riddell's comments were reflecting that, and yet you seem to be rejecting outright, or you were rejecting outright, those comments in your letter to *The Vancouver Sun*.

Dr. Wendy Watson-Wright: Dr. Riddell was misquoted in *The Vancouver Sun*. He was fairly concerned about that. That is why I wrote to *The Vancouver Sun*, to correct the misquote.

Mr. John Cummins: You didn't correct the misquote. The quote made to the reporter I think was very clear, and that was that there was a link, it was a "probable" cause. What you were trying to do I think was to correct it from the department's point of view, but I don't think in fact that's accurate.

There's an initiative, as you know, to promote sablefish aquaculture in British Columbia. There's a new study out that suggests the department, again, hasn't been doing its job when it comes to protecting the wild resource. In fact, the study that was done for the Sablefish Association—it wasn't done for them, but there was a study done. It was a recent qualitative sablefish aquaculture risk assessment. It was produced by the Centre for Coastal Health.

The authors in that make reference to a general lack of data specific to sablefish aquaculture and indicate many of the potential hazards to wild sablefish. Within the framework, the authors assess the risk as being either higher or lower than those for salmon aquaculture, for which much quantitative work has been carried out. It suggested that presenting the results in this framework is misleading, and it relies on a major assumption that salmon farms are beneficial.

That's not really the question with sablefish—whether they're actually better or worse. The question is whether or not allowing coastal net pen sablefish aquaculture is the right thing to do. Don't you think that the direction of some of these studies that are being undertaken are misleading from the get-go, misleading in design?

• (1040)

Dr. Wendy Watson-Wright: I'm not quite certain I understood the last question. I'm not familiar with that particular study, so I would find it hard to comment on it.

The Chair: If you have that study, Mr. Cummins, you can make it available to Dr. Watson-Wright. In a week, more or less, she will be back again and can maybe make a more intelligent comment.

Larry, do you want to say something?

Mr. Larry Murray: One point I would make is certainly the fundamental issue of whether we have enough visible science to reassure all sides on this issue. I think that is a really good question. In the context of the recent creation of the B.C. salmon forum by the B.C. government, ongoing discussions between the minister and John Fraser before he became the head of that, and the go-forward relative to the Pacific Fisheries Resource Conservation Council—those are all things the minister is looking at very carefully.

This issue of science and science related to aquaculture is one of the things the minister is looking at quite carefully to see whether indeed there is a way to put more focus on that. Whatever the reality of various perspectives around the debate, it's clear that we do need to have more investment and science around it.

Mr. John Cummins: The question really is, where is the precautionary principle here?

The Chair: John, please. You'll get another round.

Mr. Blais.

[*Translation*]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): It should not come as a surprise that I want to discuss once again, for the nth time, the issue of small craft harbours. Mr. Murray, I would like to better understand where the issue of small craft harbours stands in terms of the Department's list of priorities.

Mr. Larry Murray: I believe that this file is of great importance to the minister. In fact, I believe that he spent an entire day with those responsible for small craft harbours in Halifax last week. He certainly has the intention to make sure that this strategy remains a priority for the Department. I believe that currently, it is a matter of resources. However, as I said earlier, the issue of Nunavut is another component of this strategy.

Mr. Raynald Blais: You say that it is a priority, but that does not translate into action. I am not the only one to say so. During the Halifax meeting, or even during the Quebec city meeting, port administration authorities themselves sounded the alarm. This is not a partisan matter. In fact, the situation has been ongoing for a long time. It has reached a point where port administrations are saying that it no longer makes sense, that they are overwhelmed. Volunteer members of these port administrations are even thinking of abandoning ship, or in other words giving up entirely because they get the impression that they are not really being assisted. You tell me that this issue is a priority, but that does not translate into action. That is why I am saying that there are probably other issues that are going ahead instead. That explains why, for several years now, this specific file has been set aside.

• (1045)

Mr. George Da Pont: Firstly, I would point out that three years ago, the government decided to invest \$20 million per year. It had already increased the Program's budget. During a meeting with the authorities, the minister emphasized that it was truly a priority. He emphasized that he wants to stick to the current budget and one of his priorities would be to try and increase the budget in a few months. I am sure the minister would be able to speak to you on that when he appears before this committee.

Mr. Raynald Blais: I hear you loud and clear, but the figures do not say the same thing. There was an increase of \$20 million per year for five years. That will end in two years. Indeed, we would have expected the budget to increase by \$20 million per year, but this does not seem to be the case. That is why this is becoming increasingly problematic. Yes, there was a budget increase of \$20 million, but that should have been reflected year after year. This should have been \$20 million more each year. But in fact, one sees that regardless of whether it has been a good year or a bad year, the budget is increasingly cut back, and is reduced. There is an increase and, at the same time, there is a decrease. The impact of the \$20 million is not being felt. We can certainly come back to this issue, unless you have other specific information to give me. If you have nothing to add to that, I would like to go to another subject.

Mr. Larry Murray: As Mr. Da Pont and the minister said, more must be done in this respect. Attempts are being made, but I think that the committee's opinion is very important for this file.

Mr. Raynald Blais: In this respect, the members of this committee will support you and I myself will certainly do so as well.

Let us discuss the Maritime law governing the Canadian Coast Guard. What is happening with the famous negotiations that have been going on for years and years with the marine industry over ice-breaking rights, etc.? To my knowledge, the negotiations are not over yet, no agreement has been reached with the industry.

Commr John Adams: You are right, the discussions are going on.

Mr. Larry Murray: Just let me add this. Discussions are going on between the industry and the Department of Transport, etc. They decided to set up a board that would extend beyond the industry and the Department of Fisheries and Oceans. Now we have an organization called the National Marine and Industrial Council. Among its members are seven chairmen of large companies, four deputy ministers from Fisheries and Oceans, the commissioner of the Canadian Coast Guard, deputy ministers for Transport, Industry, and International Trade. Three meetings were held, one of which took place yesterday. We are trying to solve this issue in a more global and efficient way, as well as other issues that have to do with the industry. I think that the industry representatives, the seven chairmen, are happy with the program, but we would also like to make further progress with this issue.

• (1050)

The Chair: Thank you, gentlemen.

We now give the floor to Mr. Stoffer, followed by Mr. Matthews and Mr. Kamp.

[English]

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

I have a couple of questions on the west coast again. The West Coast Vancouver Island Aquatic Management Board has written to you and to us, indicating there is a 50% cut in the board's yearly operating budget, from \$320,000 down to \$160,000. I'm just wondering if you can comment on that. Is it true, and why?

Second, Greg Farrart, of the Ontario Federation of Anglers and Hunters, has written us and asked a very simple question. Deputy Minister, how are six officers supposed to patrol an area that is now covered by 56? The information they've given us is that by the year 2006, 50 out of 56 enforcement officers will be cut. It will be down to six. They're very concerned about that. According to their documents, angling creates a \$7 billion economy in the country, and they remind the people here that the main goal of the Department of Fisheries and Oceans is the protection of fish and fish habitat.

The last thing I have for you is that on May 4 there was a media release from Rashid Sumaila and Assistant Professor John Volpe of UBC. It says the report they've done leaves little doubt that over time the value of sablefish would be gutted—this is concerning sablefish aqua farming—as has been the fate of salmon. It underscores that support for industrial-scale sablefish aquaculture would signal our policy-makers have learned little from the salmon aquaculture experience. I'd like you to respond to that, if possible, please.

Mr. Larry Murray: Thank you.

In terms of the West Coast Vancouver Island Aquatic Management Board, Mr. Da Pont may have better numbers, but I thought their budget had been traditionally around \$140,000 as opposed to \$360,000. In any case, the minister has directed that their budget not be reduced, so we won't be reducing that budget.

Mr. Peter Stoffer: Oh, good.

Mr. Larry Murray: We will be working with them. The real challenge is to try to ensure as well that salmon policy and other things move forward as we sort out the way forward for Pacific fisheries and the various consultative organizations, so it comes together in both as sensible and as effective a manner as possible.

We're working with them, but in terms of their budget, it won't be reduced this year.

The Chair: Something else will be, Mr. Stoffer.

Mr. Peter Stoffer: I'm being positive here. Maybe he'll go back to Ontario now—enforcement officers.

Mr. Larry Murray: You may wish to comment on that, Paul.

Mr. Paul Cuillerier: We will be reducing, as I mentioned earlier, the number of fisheries officers in Ontario and the prairie provinces. At this time we have approximately 56 positions, but we don't have all those positions filled. We're talking about 45 fisheries officers currently active in that area.

We are planning to make a reduction, yes. We will be looking at probably anywhere between six and twelve fishery officers providing the service to the habitat program.

As you heard earlier in the comments, in terms of habitat and how that will be managed in the future, we will be looking at additional positions from habitat. We will be looking at monitoring and auditing, and we will be out there working with industry. That will create, I believe, and compensate somewhat for some of the loss of the fisheries officers.

I grant you, it will be a challenge. There's no doubt about that. We will have many fewer fisheries officers, and we'll have to be very diligent in how we set our priorities. We'll work very closely with the habitat program to make sure we cover those responsibilities.

Mr. Peter Stoffer: Sir, if I may add, I think the decision to cut those enforcement officers is wrong and I think it is a very dangerous precedent. My personal advice is not to do that. I think it's the wrong way to go, and you're really going to upset an awful lot of fishermen out there, fishermen who scream for enforcement.

We did the west coast report on the Fraser River. The big key in that report was enforcement; now you're reducing enforcement in the central and Arctic regions. On a personal note, I think it's absolutely the wrong way to go.

My last question was on sablefish aquaculture.

• (1055)

Mr. Larry Murray: The last will be for Dr. Wendy Watson-Wright, but in terms of the question about Ontario, those officers we're reducing focus on habitat. Ontario is responsible for fish management in Ontario, and it's Ontario conservation officers who enforce the issues you were raising in your comments, Mr. Chairman. The reduction here is to have an adequate enforcement capability to enforce the high end of habitat, in terms of inland provinces like Ontario. They actually have delegated authority, and they do the enforcement in terms of freshwater fishing in Ontario—not federal fisheries officers.

Dr. Wendy Watson-Wright: Thank you, Deputy Minister.

I am familiar with the Volpe report, Mr. Stoffer. I had thought they had concentrated more on environmental issues, but on the question of driving down the price of wild sablefish, there are certainly varying opinions. I could look into it more and come back, but I know there is a difference of opinion on that particular issue.

The Chair: Thank you.

Mr. Matthews, you're next.

Before that, I just have a comment. It's one thing to reduce fisheries officers from 56 to six because the Ontario officers will do the job. If that were true, it would be nice to see those 50 officers move to the west coast to enforce the fisheries regulations on the west coast.

Mr. Larry Murray: Mr. Chair, if I can be clear, that is actually the intent. This committee, in my previous lives here, has made us aware that the B.C. Cattlemen's Association and Ontario farmers really don't think it's necessary to have armed fisheries officers show up to tell them how to manage their cows and their drainage ditches.

We have discovered that with a small investment in stewardship... In fact, I met with the B.C. Cattlemen's Association, and the way we're heading on this file is the way they would like us to, because they think education and stewardship is the way to go, and we need fisheries officers on the lower Fraser, in Southwest Nova Scotia, and so on.

No fisheries officers are losing their jobs. In fairness to the fisheries officers, and with compassion, some of them will have to move. That will be a dislocation for some, and I feel badly about that, but the reality is we're trying to move fisheries officers to where we need them, and we're trying to respond to what the public, including the agriculture industry, has told us about how to go about some of this business.

The Chair: Thank you.

Mr. Matthews.

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

I just have a couple of short questions, but before I ask my question, I want to apologize to Mr. Keddy for interjecting when he was asking his questions. It's not my nature to be that way, but—

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

Mr. Bill Matthews: I don't know what came over me.

Mr. Loyola Hearn: That's twice today.

Mr. Bill Matthews: Yes, twice today. First at 7:30 Ottawa time.

I have small craft harbours questions. I wonder, Mr. Deputy, if you or one of your officials could tell me how much money is allocated for small craft harbours in the current budget for the Newfoundland and Labrador region.

Mr. Larry Murray: Mr. Da Pont will respond to that one.

Mr. George Da Pont: For the Newfoundland region for this year, we're anticipating an allocation of almost \$23 million.

Mr. Bill Matthews: How does that compare with the allocation, or what was spent, I guess, because we should know now what's spent pretty much last year? How does that compare?

Mr. George Da Pont: I don't actually have the final year-end figures because it normally takes us about five or six weeks, as year-end bills come in, to get the final figures. I probably would have those for our sessions in a couple of weeks.

Mr. Bill Matthews: Okay. The amount is pretty much around what it's been, in my understanding, for the last few years, though.

Mr. George Da Pont: Yes. Our expenditures for each of the last four years on small craft harbours has generally been a bit higher by year-end than the initial budget at the beginning of the year, because every year for the past four we have been able to reallocate in the course of the year some additional money to the small craft harbours program. So it's generally been a bit higher.

Mr. Bill Matthews: My understanding is that there's been some storm damage in some parts of the Atlantic in the last while. Correct me if I'm wrong, but I think Nova Scotia was probably the hardest hit.

Mr. George Da Pont: Yes.

Mr. Bill Matthews: Would that have any impact upon the small craft harbours allocation to the Newfoundland and Labrador region?

Mr. George Da Pont: We have had to factor some of that in. In Nova Scotia, we've assessed storm damage of about \$4 million that we've budgeted this year to repair. We've also budgeted about \$1 million so far of storm damage in the Newfoundland region, although because of ice conditions in some areas we have not yet been able to assess some of the other harbours that were damaged. We anticipate that once we're able to do that, it will go higher.

That funding, in terms of our priority rankings, obviously goes to the top of the list and is being covered out of the contingency reserve.

• (1100)

Mr. Bill Matthews: So if I understand then, if there's a couple of million dollars of storm damage expenditure required for the Newfoundland region, that will come from the \$23 million, or is that above and beyond?

Mr. George Da Pont: I believe a million of that is already factored into the \$23 million.

Mr. Bill Matthews: Okay. And if there's any other identified, it will come from the.... There's not a special storm damage fund, is what I'm saying.

Mr. George Da Pont: No. We have a contingency fund, but we have allocated it entirely already for those storm damage issues.

Mr. Bill Matthews: Okay.

Mr. Chairman, could someone tell me how many recreational harbours we support in Newfoundland and Labrador?

Mr. George Da Pont: I think I have the figure.

The Chair: Our researchers indicate two.

Mr. Bill Matthews: Two.

Mr. George Da Pont: Yes, I have one.

The Chair: One.

Mr. Bill Matthews: Could you tell me where it is, please?

Mr. George Da Pont: That I can't. I'd have to get back to you on that.

Mr. Bill Matthews: I just wondered where it was. I wondered if it was in Mr. Hearn's district.

Some hon. members: Oh, oh!

Mr. Bill Matthews: Mount Pearl.

Thank you very much.

The Chair: Thank you, Mr. Matthews.

Depending on the length of questions and answers, we have about four or five rounds left.

Mr. Rodger Cuzner: Is there any time left on Bill's?

The Chair: Forty-nine seconds.

Mr. Rodger Cuzner: One quick question, okay.

Keltic Petrochemicals is a project that is trying to get an environmental assessment done. That's in the Guysborough region. I don't know if you'd be familiar with this, but I'd like to bring it to your attention. Apparently there's been a tie-up in the assessment, in that Transport and DFO aren't able to agree upon the scope of the project. I'm just wondering if you can shed any light on it or bring some insight as to why we're not able to advance this assessment.

Ms. Sue Kirby: I believe it has now been agreed, but I'd like to get back to you with the details.

Mr. Rodger Cuzner: Okay. Thank you.

The Chair: Then we'll go to Mr. Kamp.

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

I confess I'm a little confused, still, on the enforcement—the fisheries officer situation—and would ask for a little more clarification. It sounds to me as if I'm hearing that there is going to be some reduction in the prairies and Ontario and they will end up in the Pacific region. Maybe I heard that wrong.

I'm referring to a memo from the director general I think dated April 12. It talks about reductions of the 80 and so on. In the section on the Pacific region, it refers to a reduction of 24 fisheries officers positions—nine in 2005-06, six in the following year, nine in the year following that. So my first question would be if you can clarify for me what that means, and whether on the Fraser River this year, the following year, and the year after that we're going to have more or fewer fisheries enforcement officers.

The second related question is this. The very next paragraph in that memo says, "These numbers do not include proposals under the Pacific Region Sector Blue Print exercise for which no decisions have been made." I would like to know what those proposals are and whether they are going to affect the presence on the river of fisheries officers.

Mr. Larry Murray: I'll start, and then I'll ask Mr. Cuillerier to leap in if I get it wrong, or with more detail.

I appreciate that it is a complex story, and the reality is we're not at the end point yet. We do have a major compliance review under way, which Mr. Cuillerier referred to, where we're looking nationally across the country at all of this.

In terms of the prairie habitat issue, yes, we are moving some fisheries officers from there, and for all the officers involved there are openings in B.C. and in other coastal provinces. But we will be retaining an adequate number—in round figures about a dozen, but that's still being worked out—of fisheries officers for the high-end enforcement that's necessary there when we really do need to lay charges and deal with the offences in an appropriate way.

We have in play clearly a very clear, strong report from this committee. We have a very clear, strong report from Justice Williams. We have other pressures in areas, like Southwest Nova Scotia, where clearly reducing the enforcement effort would not be appropriate, indeed *au contraire*. So I think it's highly unlikely that we're going to land in response to your report or these other initiatives with less enforcement in these areas where clearly we're being told we need to do more.

I think another element of all of this—and it's not just with fisheries officers, it's with science as well—is that the numbers of officers isn't really the issue. It's part of the issue. The issue is, do the officers or the scientists have the necessary amount of O and M to do their jobs? In other words, if we fill up all the fisheries officers positions across the country and they don't have the money to put gas in the patrol boat or they don't have vehicles that work, we haven't solved the problem. So there's an O and M component to this that we're trying to solve at the same time.

In relation to the Pacific issue report that you referred to, that's part of an overall departmental review, as these various initiatives coming out of the budget, the internal review, the \$70 million that we found internally through administrative...we're trying to move it to enforcement. So the ins and outs of that haven't landed, but I think it's highly unlikely that the minister would accept any recommendation from the department to reduce enforcement in these various areas. Indeed, he's been very clear: more enforcement, more science. We all agree. We agree with the messages we're receiving.

The final numbers aren't there, but I can assure you that I do not see us heading for a scenario where we have less enforcement in areas of need. The nature of the enforcement, whether we are using technology to the best extent, whether we have enough forensic audit capability in the department, and whether we are working as effectively as we could with various other agencies—I think all of those things are in play in this compliance review as well.

Paul, I don't know whether you want to talk to numbers....

• (1105)

Mr. Paul Cuillerier: Essentially you're right as to the numbers. You quoted five of them that I signed off to all fisheries officers. We are looking at a reduction of up to 24 in the Pacific region; it is 56 in the central and Arctic regions. I say "up to" because there will be some adjustments. There are still discussions in terms of having a residual group of enforcement officers to support the program, certainly in the central and Arctic regions. What we want to do... when we free up those positions, we would hopefully like these people to move to vacant positions, basically on both coasts, to support the fisheries in the priority areas we have right now.

Certainly we're now looking at enhancing our enforcement presence on the Fraser River. We need to deal with that; we're aware of that. You've mentioned that to us, and we hear you, so we'll be adjusting some of our resources where they are, to ensure we're dealing with some of the parties out there, such as on the Fraser River and in Southwest Nova Scotia.

Yes, in the future there will be fewer enforcement officers to support the habitat program based on its new *modus operandi*, but we will dedicate our resources to the fishery and ensure we're meeting our responsibilities there on both coasts, and we'll ask officers to move to vacant positions there.

The Chair: Thank you.

I'm not so sure you have shed any more light on it than before the question, but we still have two more meetings.

Next is Monsieur Roy.

[*Translation*]

Mr. Jean-Yves Roy: Thank you, Mr. Chairman.

Let me put my first question. I would like to know at what stage are the consultations about marine-protected areas, especially in the Gulf of St. Lawrence. I know that consultations were held regarding protected areas.

On the other hand, as I read the consultation document, I wondered whether it is of any use to designate protected zones if there are no restrictions. Basically, navigation is allowed, as well as fishing and harvesting of resources. Besides, we are engaging in consultations with the population on protected zones, but basically, if everything is allowed, there is not much point in setting up these zones.

My second question deals with setting up these zones. We must mention that other departments are already creating zones of this kind, as for instance the Saguenay—St. Lawrence marine park. Is there any connection between the zones they want to create and those already created by other departments, such as Environment Canada, etc.?

• (1110)

Mr. Larry Murray: Let me try to answer this. With regard to your last question, our objective is to ensure that all these kinds of protected zones are interconnected. This is a part of the oceans' management strategy.

Ms. Sue Kirby: There are different kinds of zones. We begin with an integrated management planning process. This integrated planning process is being resumed again, especially for Newfoundland.

The issue is not only about protected zones; it also involves planning of all those who use the ocean: fishermen, ocean carriers as well as oil companies. Because of the large number of people using the same space, we set up regional planning procedures involving all the stakeholders. This is what we are currently doing.

There are also different kinds of protected zones. As mentioned, departments have different mandates. We were authorized to set up an oceans management strategy. Among the first elements of this management plan is a strategy aimed at protected zones, that goes

beyond the zones of the Department of Fisheries and Oceans. This strategy includes Parks Canada and Environment Canada. The mandates of these three organizations are different, but they complement each other.

Parks Canada has the mandate of protecting the territory and its protected species. The Department of Fisheries and Oceans is mandated to protect mammals. This might be for various reasons, such as biodiversity and productivity in a zone, when dealing with an aquatic ecosystem. Environment Canada is mainly involved in protecting birds.

We are setting up a strategy for these three organizations. We want a national strategy that includes all the agencies with different but interconnected mandates, working in the same spaces. We hope that it will be ready within a few months. It might even be ready in two weeks, if all goes well. We are working on it now.

Mr. Jean-Yves Roy: I have another, more specific question. Is it a fact that the Department of Fisheries and Oceans could be mandated to protect spawning grounds?

For instance, this department could be mandated to protect the spawning grounds of cod fish or other species like herring by setting up zones. Have I understood what you just said? This especially applies to protecting and preserving marine species.

Ms. Sue Kirby: There is more to this than just protecting specific species. This is a part of the mandate, however, under the Oceans Act, the mandate also includes protecting the ecosystem.

Mr. Jean-Yves Roy: Let me put another question. Do you intend to set up this kind of zone in Baie-des-Chaleurs?

Ms. Sue Kirby: Not for the time being, but we are discussing this possibility, especially with New-Brunswick.

Mr. Jean-Yves Roy: Thank you.

[*English*]

The Chair: Next is Mr. Stoffer.

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

For clarification, how many people work for the Canadian Coast Guard, DFO, at 200 Kent Street in Ottawa? How many personnel do we have?

Commr John Adams: Do you mean in percentage terms or in absolute numbers?

Mr. Peter Stoffer: I mean within a couple of hundred.

Commr John Adams: Oh, a couple of hundred—there are about 250.

Mr. Peter Stoffer: That's in all of 200 Kent Street?

Commr John Adams: Yes, that's for the coast guard.

Mr. Peter Stoffer: Does it include DFO?

• (1115)

Commr John Adams: Oh, and DFO....

Mr. George Da Pont: The DFO total at 200 Kent is around 1,200; it's about 13% of the overall staff in the department.

Mr. Peter Stoffer: So between the two it's roughly 1,500 as a ballpark figure.

Commr John Adams: No, no.

Mr. George Da Pont: The 1,200 includes the coast guard. That's the total number.

Mr. Peter Stoffer: I'm just going to go over this again with Mr. Kamp's questions as well.

Is it not the responsibility of DFO for the protection of fish and fish habitat in Canada? That is sort of a yes or no question.

Mr. Paul Cuillerier: Yes.

Mr. Peter Stoffer: The answer is yes.

You're going to be moving enforcement officers from Ontario. You say you're going to be delegating it—Ontario has the delegation authority to do that.

Mr. Larry Murray: Yes. They—

Mr. Peter Stoffer: If these 56 officers are working now...they're going to be cut because you don't need them, and you want to move them somewhere else. You've got approximately 1,300 people at 200 Kent Street. Why would you be moving enforcement officers across the country when you should be adding more enforcement officers and having fewer bureaucrats in the departments?

One of the first recommendations in our east coast report, back in 1998, was that people in 200 Kent Street should be moved out, whenever possible, to where the resource is—because, as you know, nobody is fishing for crab or lobsters in the Rideau Canal.

It appears very top-heavy in Ottawa. I know you're going to say that we're decentralized and it's only 13%, but moving fisheries enforcement officers from Ontario to the west coast is I think simply wrong.

I use the example of Newfoundland, where last year Danny Williams hired 20 officers of his own in order to facilitate enforcement in monitoring of the rivers for salmon up there, when that's clearly a DFO responsibility. I just simply don't understand how the department could be cutting officers in one area and supposedly moving them to another when this committee has asked continually for more enforcement of our natural areas.

This is my last question.

The Ontario Federation of Anglers and Hunters say in their letter, again, that you're getting out of, or discontinuing, the support for the Great Lakes contaminants surveillance program to monitor toxic chemicals in fish. Is that true? If it's true, why would you be doing that?

Mr. Larry Murray: I'll take the first couple and I'll ask others to leap in if I get it wrong. I'll ask Dr. Watson-Wright to comment on the last one.

To be clear, my commentary on Ontario is that Ontario at the moment—and we'll have to see where we land in the context of the recent decision—has delegated authority for enforcing the freshwater fishery inland. We only deal with habitat, so in the context of the officers we're talking about in Ontario, their role has not been enforcing the Ontario fishing regulations. That's delegated to some provinces.

If you were to raise this question relative to Newfoundland or relative to your own province, you would have a valid complaint, or

whatever, in the sense that it is a shared jurisdiction, and in Nova Scotia it is DFO that does it, largely. In Newfoundland we share that responsibility with the province.

My only point is in Ontario, an inland province, that has been done by Ontario conservation officers, not by federal officers, and the model is a little different depending on what province.

Separate from all that is the issue of national headquarters versus operational staff fisheries officers, scientists, or whatever. That's a fair point, for sure. It is part of what we've been trying to do. We are reducing EXs by 10%. Most of the executives are in Ottawa. The downsizing is also happening in Ottawa, and these various initiatives under way—fisheries renewal science review and so on—are trying to figure out how to move some out, and there are chunks of the department that the minister has asked us to look at that may better reside somewhere else as well. My point is they're separate in a sense, and the Ontario thing is a little bit different.

Wendy, do you want to—

The Chair: Before you go to others, could you answer the question about...what was that program called?

Mr. Peter Stoffer: She's doing it.

The Chair: Oh, okay. That's very good, sorry.

Thank you.

Dr. Wendy Watson-Wright: Mr. Chair, DFO science undertook a fairly extensive toxic chemicals review—the review of what we're doing in toxic chemicals throughout science. What was found was that in some cases part of what we were undertaking was actually the mandate of other departments, and a decision was made under expenditure review to cut that program. Having said that, in terms of the specific program you're alluding to in the Great Lakes, we are in discussion right now with Environment Canada in terms of how to continue this program, because it largely is an Environment Canada mandate. Those discussions are ongoing.

● (1120)

The Chair: Thank you.

Mr. Simms.

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

Mr. Adams, I have a question about the coast guard.

I'm trying to get through the enforcement on the east and west coasts. I'm talking about several platforms, and what you've outlined here talks about this partnership, Canadian Coast Guard-RCMP, and the enforcement on waters. I'm trying to understand. When it comes to the engagement of an activity, say, overfishing, one of the things that I have discovered since being here—and I discovered it when I was a substitute on the defence committee—is that our defence department, our submarines, also take quite an active role in fisheries patrol. Is that correct?

Commr John Adams: You'd have to ask Defence.

Mr. Scott Simms: I'm assuming they are in coordination with the coast guard. Is that correct?

Mr. Larry Murray: They historically have taken part. I've had discussions with the commander of the navy. When the new submarines are operational, they certainly will take part. At the moment they're not operational, but certainly we have used them for surveillance. They're a very effective surveillance platform.

Mr. Scott Simms: Okay. When it comes to the efficiencies that you're trying to achieve, now and next year, I don't quite see how the efficiencies are.... The RCMP is the armed force. Is that correct?

Commr John Adams: We don't want to mix apples and oranges. The work we do at the RCMP is for maritime security, not fisheries enforcement.

For fisheries enforcement we work with the fisheries officers. When we have fisheries patrol vessels.... For example, if you go to the east coast and you go to the nose and tail, we try to have two patrol vessels out there at all times. We operate the vessels, but our C and P officers are the fisheries enforcement arm.

Mr. Scott Simms: Okay. In regard to the marine security operations centres on the east and west coasts, you talked of them having more of an intelligence role. Is that correct?

Commr John Adams: Yes.

Mr. Scott Simms: Are we now in CSIS?

Commr John Adams: No, they're more a data fusion centre. We feed information from our C and P overflights. We feed information from our marine communications and traffic services officers. We feed communication from observations from the vessels into what we call maritime security operations centres—the MSOCs, as they're called now.

We co-man those. Well, actually, for now we've only really got the east coast up and running fairly effectively. There is still some time... because we have to knit people together to go into those organizations, but we multi-departmentally staff those. We have RCMP officers in there, we obviously have DND officers in there, we have coast guards in there, we have the maritime security agency officers in there, and we have Transportation Canada officers in there.

They take that information, create what we call a marine domain awareness picture—through an intelligence process, if you will—and then share it with all users, most of whom I've named to you.

Mr. Scott Simms: And disseminate it to each and every department to—

Commr John Adams: And disseminate it. That's all to improve our interoperability among the many departments and to share information more effectively.

Mr. Scott Simms: Okay.

Mr. Larry Murray: This actually really is a success story, and when the committee travels, I'd really recommend you go there. It is a room inside an operating naval maritime headquarters, and it'll be the same on the west coast.

It's been done very cost-effectively. You do have all these agencies literally working together. Depending on the particular emergency, the particular department takes the lead. We're not reinventing the wheel here; we're sharing a tremendous amount of information that we've all had, but sharing much more effectively than we have in the

past, and it is ahead of our cousins to the south in terms of our ability to generate a significant coordinated picture. It really is a very cost-effective approach.

The other issue is that I would like to ensure we haven't confused you over these new patrol vessels. Four of them are dedicated and will be co-manned by the coast guard and the RCMP on an ongoing basis in the St. Lawrence Seaway system and on the Great Lakes, because that has been a gap. Until we have the new vessels, we'll use our existing vessels, and we'll be starting this summer, but that is separate from the fisheries patrol business and is really counter-terrorism in the Great Lakes St. Lawrence Seaway system.

● (1125)

Mr. Scott Simms: Regarding the new midshore patrol vessels, we have two coming online in 2007-08, correct?

Commr John Adams: Yes.

Mr. Scott Simms: What do you think is the chief benefit of these vessels, as opposed to our older vessels?

Commr John Adams: The new vessels are much faster. We'll now actually be as fast as some of the vessels we're trying to catch—

Mr. Scott Simms: That's always a good thing.

Commr John Adams: —which is rather useful. So that will be the advantage of those vessels.

The Chair: Thank you.

We're going to end with three questions by three members. Before we do, I want all our witnesses to notice that although this is a Thursday, we've had our entire committee here—no substitutes—for two full hours. That shows the interest of this committee in the estimates.

We're going to continue with our work in a week's time. I wonder if I could ask the department—not necessarily for a week from now, but in some reasonable future time—to provide us with a flow-chart document showing the movements of fisheries officers for conservation and protection and habitat from one sector to another and from one region to another, because you were talking about that. All right? Thank you.

We're going to do the three questions, then we'll do the answers, and then we'll adjourn.

Mr. Hearn, Mr. Keddy, Mr. Cummins, you have one short question each.

Mr. Hearn, please go ahead.

Mr. Loyola Hearn: I have a snapper, Mr. Chair, a one-word answer.

How many millions of dollars are in the minister's discretionary fund in small craft harbours this year?

The Chair: Mr. Keddy.

Mr. Gerald Keddy: Concerning foreign boats on allocation, foreign boats are allowed to fish Canadian quota. What applications are out there this year—for Canadian quota that has been fished by Canadian boats—for foreign boats to fish?

The Chair: Mr. Cummins.

Mr. John Cummins: A fisheries officer testifying in the Williams inquiry said that budget and overtime restrictions had crippled C and P operations in his field unit.

We were also told in another memo that in the Chilliwack area, fisheries officers requested weapons profiles on poachers his men have to deal with, so there is obviously a shortage of funding.

The department turns around and spends \$20,000 for the installation of two precast washroom facilities on the Cheam Reserve. Why is there money for that when the testimony also said that in one area of B.C. there were only two vehicles with less than 250,000 kilometres? Yet you say you've got surplus funds in May of 2004 and you give \$12,500 to the Tsawwassen band to go towards the purchase of a vehicle to assist in management.

The Chair: Okay. There were three questions. On the contingency fund first, Mr. Murray.

Mr. Larry Murray: I think \$20 million is the answer to the first question.

I believe the answer to the second question is little to none. There is this issue around Nunavut and working towards Canadian flags there. That's the only wrinkle I'm aware of, and I want to confirm that as well.

Mr. Kevin Stringer: I think the answer is none, but we can confirm as to whether that's the case.

Mr. Gerald Keddy: It's absolutely rampant with rumours in Southwest Nova that the haddock quota on George's Bank is going to be offered to some foreign contacts.

Mr. Larry Murray: We'll look into that.

The Chair: Okay.

No vehicles, but washrooms, is the next question.

Mr. Larry Murray: To be quite frank, I'd really like to give a more strategic answer to this one. We'll look at the specifics, but the reality is that the compliance regime on the Lower Fraser, and everywhere else in this country where we're working with first nations and others, has to be a lot more sophisticated, a lot more comprehensive, and a lot more outreaching than simply hammering people. We have to work with these communities. I think Burnt Church is an example right now of a community where we have worked with them, the federal government has worked with them, and the community is doing very well.

In terms of our enforcement strategy on the Fraser River, it has to be a lot more effective than just a few more fisheries officers and a lot of hired enforcement. We have to reach out to these communities and work together. Where we do that, it's working.

So I would suggest that some of these things are related to that broader strategy, which is essential, if we actually want to make a difference and have the fishery work.

The Chair: I'm not quite sure what Mr. Cummins is referring to, but maybe you would look into it.

Mr. Cummins.

• (1130)

Mr. John Cummins: It's \$20,000 washrooms, Mr. Chairman, concrete washrooms.

The Chair: How do washrooms, if this is fact...?

Mr. John Cummins: This is the agreement right here, Mr. Chair.

The Chair: How do washrooms built by or contributed to by Fisheries and Oceans help enforcement? That would be the question then.

I know you can't answer it because you have to look into it.

Mr. Larry Murray: My view is that if indeed it's Fisheries and Oceans money, I presume it's part of an outreach. We'll come back in terms of the specifics.

The Chair: Mr. Cuzner, quickly.

Mr. Rodger Cuzner: On a point of clarification, I believe the discretionary fund is \$10 million. It was \$20 million back about five years ago, and I believe \$10 million of that, half of that, was put back into general fund.

The Chair: Mr. Da Pont, clarification.

Mr. George Da Pont: The figure on the contingency fund hasn't changed. What I would say, though, is it's fully allocated to deal with storm damage, and the rest was fully allocated in accordance with the priority rankings that were recommended by the department. The number is still \$20 million, to the best of my knowledge.

The Chair: Okay. We'll leave it at that.

Deputy Minister, on behalf of the committee, I want to thank you very much for your letter of April 29 in connection with the Melvin report. It's much appreciated. We'll be dealing with that in camera, as you requested, on Tuesday.

Mr. Larry Murray: Thank you very much.

The Chair: Committee members, nobody but members on Tuesday, in camera.

The meeting is adjourned.

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