



House of Commons
CANADA

Standing Committee on Fisheries and Oceans

FOPO • NUMBER 025 • 2nd SESSION • 39th PARLIAMENT

EVIDENCE

Monday, April 14, 2008

—
Chair

Mr. Fabian Manning

Also available on the Parliament of Canada Web Site at the following address:

<http://www.parl.gc.ca>

Standing Committee on Fisheries and Oceans

Monday, April 14, 2008

• (1405)

[English]

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

I would like to welcome our witnesses here, and welcome certainly the members of the media who've joined us; Mr. Gary Sooley, who has been riding with us today, from small craft harbours here in Newfoundland and Labrador; and all visitors.

I'll give our guests an idea of what we're doing. We are the Standing Committee on Fisheries and Oceans for the Parliament of Canada. We represent four political parties in the House: Conservatives, Liberals, Bloc Québécois, and the NDP...

Where is our NDP, though?

A voice: We lost him.

The Chair: Yes. At any rate, he's here somewhere, Peter Stoffer from the NDP.

Last fall we began a study into the small craft harbours program. Basically this is a continuation of that. In Ottawa we received witnesses, including Bill Goulding here from Newfoundland and Labrador, plus several other people involved in the small craft harbours program across the country. We also heard from the national advisory of harbour authorities in Ottawa, and some other witnesses.

Basically our goal is to establish a report, present it to the House of Commons, and look for an enhancement to the small craft harbours program. That includes not only marine infrastructure, such as wharfs and so on. If, as members of harbour authorities, you think there's a need for training.... And you're volunteer-based, so if, as volunteers, you think there's something we could put in the report on ways of enhancing the harbour authority program itself, and the way you're set up, any and all things are open for discussion that have to do with harbour authorities.

The purpose of our trip, which we've started here today in Newfoundland and Labrador, is to travel around to talk to people like you, who are involved in harbour authorities, on the committees. We want to hear from you, and we also want to give an opportunity to the members of our committee to ask you some questions. We will be travelling to Prince Edward Island, Nova Scotia, New Brunswick, and we finish up in Quebec on Friday evening.

I certainly want to thank you for your appearance here today. I realize that many of you may not have gone through this process

before. Don't feel in any way nervous. It's just like sitting around and having a chat with the boys—and the lady.

You'll see some people around. These are people who assist us with our work. Our analyst is François and our clerk is Julia.

We also have interpreters here. In Newfoundland and Labrador, it's very important that we have interpreters, because sometimes they have a job to follow what I'm saying. Now that I have a few of my colleagues here from Newfoundland and Labrador, I'm sure it will be a wee bit difficult at times. As well, there's interpretation going on at the same time as you're speaking. Sometimes they tap me to slow down, so I'll have to do that sometimes with you too.

What I'm going to do now is ask you to do some opening remarks. Introduce yourselves and what group you represent, and then make a few comments about the small craft harbours program, harbour authorities, whatever you like, and then we'll open up the floor for questions by the committee members. We'll run this for a little over an hour. If there's anything that you feel you want to add, this is your opportunity to do so.

Once again, I thank you for your presence here.

We'll open the floor with Mr. Donald Drew.

• (1410)

Mr. Donald Drew (Chair, Harbour Authority of Bay Bulls): My name is Don Drew. I am the president of the Harbour Authority of Bay Bulls. I'm also the mayor of Bay Bulls.

I've been on the harbour authority since 1989, when we formed. We opened for business in the spring of 1990. We have two wharves in our community, both about 200 feet in length. We have 18 active under-35-foot enterprises from the community. We also have about eight enterprises from outside the area that come in here to fish. Also, during the year we have a lot of transient boats coming in that do land in the adjoining community of Witless Bay, but then, because the community itself does not have wharfage facilities there that are sheltered, they come to Bay Bulls to be tied up. We have three of the largest tour boat operators in the province. They operate not on our facility but adjacent to it. We also have a lot of pleasure boaters and recreational boaters.

Our primary users are the fish harvesters. When the moratorium was called in 1992, most of our boats ranged from 18 feet to 30 feet, small open trap skiffs using cod traps and gillnets. Today our enterprises are all consisting of 35-footers. Some are joint enterprises, where two enterprises have one boat between them. That's allowed; we're in a buddy-up situation. Now we're looking to combine under new regulations. The problem we have is that we were limited in space in 1992 with the small boats we had, and now today, with the 35-footers, we're even more limited in space.

As well, the harbour is becoming centralized. You have these other eight boats moving in, and every year there's more and more. We don't want to turn them away. We're all harvesters. We're working this together. Everyone accommodates the best they can.

What it comes down to now is that we're limited in space. A number of years back—actually, just after the harbour authority was formed—we put in a request for a breakwater that we needed. The breakwater was to give full use of our whole facility. Now, especially in a southeast wind, most of our wharf on one side, one of our finger piers, cannot be used because it's not sheltered. We then, because of the breeze coming, also get the tour boats, the pleasure boats, the recreational boats. At times, in a breeze, we'll have as high as 40 boats, two and three abreast, in behind a wharf that really has enough room for ten.

But we make do. We have been making do. And we've looked outside the box. About ten years ago, I approached the local offshore oil company that was operating there and was building a facility. They didn't want fish harvesters on collars, which we were heavily dependent on at the time because of limited space on the wharf. We convinced the oil company to build a wharf and breakwater for the Harbour Authority of Bay Bulls free of charge, with no government money. After two years of negotiations, in 2001 we opened it up. That gave us basically eight additional berths, with no government money.

When that wharf was built, there were negotiations back and forth: "Okay, if he can convince an oil company to build us a wharf"—this came from the department—"maybe the government could step in and build the breakwater." We still don't have the breakwater. Of the two wharves we had at the facility when, again, the moratorium was announced and we did incorporate, one of them has since actually rotted out. We've built a new one there. We still don't have our breakwater.

We don't blame small craft harbours. They're doing the best they can on what money they have to deal with. The trouble we have is with the limited amount of money going into that operation.

The wharves that we're building in Newfoundland have, generally speaking, a target goal of 25 years of life. I've been fishing for 25 years. The wharf that I started fishing on, which was built just previous to that, has now gone and been replaced. But when you look at places in Europe, people are tying onto the same wharves today that Christopher Columbus and John Cabot tied onto when they left to come across. Those wharves are still there.

We're doing something wrong. We're wasting money. We should be building facilities for the long term. We've been building for the short term down the road, just for what the problem is today. We

need a breakwater in Bay Bulls, and I don't hide the fact, but it has to be built properly. What we look at in our harbour authority is building a facility there for the fish harvest—that's number one, because it is a fishing harbour—but also making it self-sufficient.

As I said before, we have four boats operating there, pleasure boats. I have American swordfish boats operating there. They land \$2.5 million to \$3 million worth of swordfish there every year, which is shipped out of the province. Along with that we have cruise ships, as most of these harbours do.

All of this brings in revenue to the harbour authority, and the harbour authority is self-sustaining. It's a town council operating on the waterfront, that's what it is, and treated the same.

Those who truck grain from the Prairies or truck manufactured goods from Ontario and Quebec to the States need a highway. The key part of our highway is that wharf. We need that infrastructure put into these wharves, to bring them up to what they should be, to make them sheltered. Without that piece of that highway, we can't do our business.

In my own community, an average vessel, when the moratorium was announced, would have cost anywhere from \$10,000 to \$15,000. Today we're into \$150,000-plus. We're making big investments. The problem we've gotten into is that in 1992 people wrote off the fishery. The harvesters didn't. We invested big. All of the enterprises at this table have invested hundreds of thousands of dollars, millions of dollars, into our enterprises and our communities. We're employing these communities. Without us, a lot of these communities wouldn't survive. We need that investment, not only to make them survive but to make them prosper.

● (1415)

The Chair: Thank you, Don.

Rom.

Mr. Rom Dalton (Harbour Authority of Admirals Beach): Mr. Chairman, honourable MP Fabian Manning, honourable members of the Standing Committee on Fisheries and Oceans, and fellow members of the harbour authority in the district of Avalon, it is both an honour and a privilege to speak to you today on the importance of the harbour authorities to our communities.

All of our community is rural and the vast majority depend on the sea to earn a living, whether they're on land or on sea. As the majority of our population is Irish Catholic and the church is an important part of our life, many believe that the wharf is just as sacred as the church.

There are six harbour authorities in St. Mary's Bay: Admirals Beach, Branch, O'Donnells, Riverhead, St. Mary's, and St. Shotts.

Admirals Beach is a designated landing port and has a wharf space for three vessels. It is not safe for winter berthage.

Branch is a designated landing port in which vessels must work the tides because of the small gut or river that runs out of the pond and can only accommodate small-draft vessels. It has wharf space for seven vessels and is suitable for winter berthage.

St. Shotts is on the headland of St. Mary's Bay, and since the moratorium has only been used while the index cod fishery is ongoing. Since the introduction of the crab fishery to the smaller 35-foot fleet, and with larger vessels, fishermen in this area use the harbours in the bay. St. Shotts is a landing port, which is not suitable for summer or winter berthage.

O'Donnells is a designated landing port and has wharf space for seven vessels and is safe for winter berthage as long as vessels are not doubled up. It also is the only port capable of handling the larger 65-foot vessels.

St. Mary's is a designated landing port. There is a strong undertow there, which makes it difficult to even leave boats there overnight during the summer.

Riverhead is a designated landing port, and after years of lobbying to have the only natural harbour in the bay declared a harbour authority, they succeeded a few years ago. It has wharf space for six vessels, with some floating docks that can accommodate more vessels during the fishing season. It is a safe harbour all year round.

There are approximately 70 vessels in the 35-foot to 65-foot vessel range in St. Mary's Bay, along with numerous speed boats. With the impending closure of the marine service centre in Admirals Beach, which some 20 to 30 vessels have called home during the winter for the last 25 years, and the influx of larger vessels into the crab fishery, there is going to be greater demand for the few safe ports in the harbours.

Even though I'm sure the harbour authorities are grateful for the dollars that have been spent in our area, I'm sure they all will agree that a lot more needs to be done to improve their harbours. For example, O'Donnells needs an L on the wharf to protect the harbour from westerly winds, plus about 300 feet of wharf space to accommodate extra boats, which would cost approximately \$2 million.

Branch needs dredging done, extra wharf, and some armour stone and pavement, for an approximate cost of \$1 million.

Riverhead needs dredging done in the pond and at the entrance to the wharf space around the pond, and it must be noted that once that is done, it is done for life. There is no winter sea that can cause a problem. The approximate cost is \$2 million to \$3 million.

Admirals Beach needs armour stone to protect the harbour and keep the beach from moving and filling in the harbour. It was dredged this last year. It also needs the water line extended so slipway and more wharf space can be accessed, for approximately \$2 million.

St. Shotts lost most of its slipway in a storm a few years ago, and it hasn't been repaired yet.

St. Mary's is the newest harbour authority in our area, and it needs some sheathing on both sides of the wharf and an L on the outside end. The cost is close to \$1 million.

As you can see, a lot has been done and a lot needs to be done. Over \$8 million of work is needed in just the six harbour authorities. This doesn't include washroom facilities, which are mandatory for landing ports or launching facilities for smaller boats.

Lost in all of the bull talk of what's been done or what needs to be done is the fact that all of this has been done by volunteers all over this island. If volunteers at those harbour boards don't see some progress over a period of time, they may lose interest. I therefore call on all of you to do your utmost to see that all harbour authorities are brought up to a reasonable standard as soon as possible.

Thank you.

The Chair: Thank you, Rom.

Kevin.

• (1420)

Mr. Kevin McGrath (Harbour Authority of St. Brides): Good day. I'm Kevin McGrath, fisher from St. Brides, the same home port as Mr. Manning. I hope when Mr. Manning goes to Ottawa that he introduces himself as from the same home port as Kevin McGrath the fisherman.

The Chair: I told you I was playing in front of it.

Mr. Kevin McGrath: On October 16, 1990, our harbour authority was incorporated with a five-member elected board. The mission of the harbour authority is to operate and manage a safe and commercial fishing harbour in St. Brides. This year will mark our 18th year of operations.

Presently the local board of directors manages three and a half hectares of land leased from the small craft harbours directorate. The local board manages the east and west breakwater, two marginal wharves, eight floating docks and a float approach, harbour office, bait unit, three off-loading systems, saltwater and fresh water systems, paved parking lot, coast guard, air horn, and navigational aids.

Since our harbour authority was put in place with the help of MHAs and MPs such as Mr. Manning here, we have developed a very interesting harbour. Yet our harbour is still not safe enough for the size and number of vessels that use it. With our older generation of fishers getting out of the fishery, we see younger fishers stepping in, and right away those younger fishers go for newer and bigger vessels to fish farther offshore.

Right now we have 45 permanent fishing enterprises in St. Brides, plus another 20 to 25 vessels that come from neighbouring communities like Placentia, Branch, and farther, from St. Mary's Bay sometimes, to unload their catch there. Last year alone we had landings of 3.8 million pounds of fish products, which included crab, cod, lump roe, halibut, and even tuna. We have a processing plant on the wharf in St. Brides where we process most of the groundfish, making work for the residents there for eight months of the year.

Yes, we have a busy harbour right now. But we are working on blasting and dredging inside to make our harbour a lot safer, because when a storm is coming up we have to move to farther away communities, which is 30 or 40 miles out of the way, and this is very costly. And sometimes the storm might come up in the night and you don't get the chance to move. Back in 1999 we had a major hurricane called Gert, and it did a lot of damage to vessels in St. Brides.

So this money that we're spending right now is not enough. We need money approved immediately for this year to put a marginal wharf in this new dredged area to make a safe haven for our fishing vessels.

As I mentioned earlier, we're located right on the headland of Placentia Bay. Cape St. Mary's ecological reserve is only seven miles above us. So we have a lot of tourists and tour boats getting interested in our harbour. Right now our harbour is overcrowded and so busy with fishing boats unloading their catch that there's not room enough there for those tour boats every day to unload their passengers.

So there are a lot of reasons why we need more money in St. Brides. I brought a few pictures with me just to give you an idea of what goes on there.

There is a cruise boat right there that was in the bay. It was a nice day and they got to bring in some of their passengers and unload. Most of the boats had gone out fishing, so there was a bit of room, but some days our harbour is so overcrowded.

• (1425)

The Chair: After you have explained them, you could pass them around.

Mr. Kevin McGrath: Yes.

This is an overhead shot of the harbour itself. Right in here is where we're dredging out right now. We figure that we need 300 feet of marginal wharf inside, because right now when the big boats unload their catch they still have to tie up in the way under those jib cranes. There is no room for them to go inside. So it makes it a bit of a tangle for the other boats that are coming in behind.

Thank you.

The Chair: Thank you, Kevin, and thanks for the pictures.

Just pass the pictures right around, boys, and we'll work them back to Kevin.

Mr. Petten, we were down to visit your harbour this morning. It was an eye-opener for many of my colleagues.

Just before you begin, I should do now what I didn't do at the start of the meeting, and that is welcome my colleagues, or those who are not from here, to Newfoundland and Labrador, and welcome them to, in this case, the riding of Avalon. I'm proud to call it our riding.

Mr. Petten.

• (1430)

Mr. Ross Petten (Harbour Authority of Port de Grave): Thank you, Mr. Chair.

Ross Petten is my name. I'm from Port de Grave. I've been on the harbour authority for a number of years. I had a call just this morning to ask if I'd like to attend, so I'm not prepared very well. I'll try to do the best I can under the circumstances.

We have a good harbour in Port de Grave. It's a man-made harbour. We've done a lot of work on it over the last ten years. A lot of money went in there, in excess of \$10 million, I believe, to be exact. It was a nightmare of a harbour, what we had there originally. It had a different opening. We changed it from coming eastward from the open sea to westward into the harbour.

Really, for the type of harbour we have, we've got a lot of costly boats. We have a bigger-sized fleet of boats, I guess, than mainly what's around the rest of the province. You'll see some of the largest types of boats in Port de Grave harbour. I would say the average cost is over \$1 million for most of the boats. We have some smaller ones, but not many. Our main size of boat is 65 feet long.

We have washrooms and facilities for all our boats. We also accommodate a lot of boats when they come in from other communities, especially tie-up time in the winter. We have them from all around the island. We have them there from Labrador and everywhere.

When we built our harbour, there was a lot of blasting. A lot of work went on. We also got so many floating docks there for the smaller-type boats, the pleasure craft. We also accommodate some pleasure craft there also.

But I guess no matter how big your harbour is, you never have it big enough. There's no way to accommodate without a lot of people getting along very well together and being able to move around and let people off-load, let people tie off outside of each other. The big thing is cooperation, I guess, in any of these things, but there's always a job to be done. We're always after money to extend or add on or build on. We'd like to also be considered, because for our harbour we're always trying to have extra walls and we're always trying to get floating docks.

Also, we're a volunteer sector. I'd certainly like to see more funding come in that area, so that you could help train people. Some of these applications and some of these other things you're into now are really out of our field. It takes a lot of work. And it's a lot to expect volunteers to be doing, to be honest with you. I think you should be looking at putting more funding into these areas of work.

That's about all I have to say. Thank you.

The Chair: Thank you, Mr. Petten.

Thank you to all the witnesses.

Mr. Petten just talked about the volunteers, and that's exactly one purpose of our meetings—to talk not just about just wharfs and infrastructure but about the concerns expressed around volunteering. We've heard before from witnesses about volunteer fatigue, not only with harbour authorities but with many volunteer groups in all our communities. That's certainly another aspect, a different aspect, that we need to have a look at through our report also.

The process here, witnesses, is that basically we have a round of questions. We give ten minutes to the opposition, the Liberal Party; seven to the Bloc; five to the NDP; and ten to our party. Then if we need to go around again and do another round of questions, we break up the time into five minutes each.

Mr. MacAulay, I think you're going to lead off our questions this afternoon.

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

It's a pleasure to be here. It's good to meet you people; you have a lot of the same concerns as I hear pretty often in my own riding in Prince Edward Island.

Mr. Drew, when you gave your statement you mentioned that in Bay Bulls, from a number of years ago to today, the boats have become much larger, which means you need a lot more room. What dollars are involved in order to create this?

Mr. Donald Drew: Realistically, we have two different projects. The outside breakwater, which we see as the primary necessity for shelter, is \$1 million. We have another plan, through a tourism development, working with our fishermen, tourism, and recreation users all together, that's possibly going through ACOA for another \$1 million for that project. But for small crafts and harbours, it's only \$1 million. And that was an estimate from about four years ago.

Hon. Lawrence MacAulay: Most people here understand fisheries pretty well—what the breakwater means for the safety of the boats, protection of the wharf, and all of that. It would also be an investment in longevity. I think you indicated that harbours in Europe can last so much longer and how important it is to have these breakwaters for safety reasons alone.

Mr. Donald Drew: This particular wharf, the outside one, now I think is somewhere around 30 to 32 years old, and for the first five years it was there it wasn't used, because it was shorter at the time. We had a breakwater and it couldn't be used. We extended it, and because of the force of sea ice, losing their own premises, more and more harvesters went to it, and you still had your collar out to go to besides. Then when we got involved with the offshore oil coming into Bay Bulls we could no longer use collars, which is an anchorage. So we were forced to continue to use what we have.

As I said before, this particular wharf is getting long in the tooth. Without the shelter it's deteriorating. Our wharf is somewhat of a breakwater now, but it is starting to deteriorate because there was no shelter provided for that.

Hon. Lawrence MacAulay: Thank you very much.

I don't want to take up all the time, Kevin, but I had a chance to speak to you when you came in, and you have a business plan in place, I suspect, for the blasting. How many extra boats, and what is the cost of what you plan to do in this area and the necessity of it?

• (1435)

Mr. Kevin McGrath: Well, I see in our area that the boats are going much bigger. As I said, we have 45 fishing enterprises right in the town of St. Brides. Fifteen of them are over the age of 55. Now, as those older people get out of the fishery, their younger sons or someone else in the community will take over those enterprises, and right away those younger people are going for newer and bigger boats. This is what's happening.

Twenty years ago we didn't need a lot of room in St. Brides. We only had small 30-foot boats and that was it. Now fishermen have to travel farther offshore and they need bigger boats to carry more ice and everything else.

We looked at our costs last year before we got into this dredging, and it was from \$900,000 to a little over \$1 million. We got a little bit of work done on it. We had \$400,000 approved last year, and the bid went in a good bit under and we didn't use up all that money. Right now what we're looking for is the continuation of this plan that we're into so that we will not have to be moving to the other harbours coming up this summer.

Hon. Lawrence MacAulay: I thank you very much. I'm closing because I want to give my other colleagues a chance to look at Mr. Petten's wharf and what dollars can do and what they can create and the economy it can create. I understand how important it is, so I'll pass on to one of my colleagues.

The Chair: Mr. Simms, you have almost six minutes.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Perfect.

Gentlemen, thank you for coming in. It's good to see some of you again.

I just want to start very quickly. Mr. Drew, you talked about transient boats. In that scenario when they judge small craft harbours funding and so on and so forth, one of the categories is how many full-time harvesters you have up against your wharf, or that use it on a yearly basis. But you talked about transient boats. I think this is going to add into it. How many transient boats do you have?

Mr. Petten, you talked about this as well, so you could address this also.

Mr. Donald Drew: Most of us here are in the same situation, the same as Kevin and Ron; our harbours deal with the same thing. Some places are good to unload. In our location it's Witless Bay. The fish plant is there and they come in to unload in Witless Bay. You could put about \$50 million in Witless Bay and you wouldn't make a safe harbour, because it's open; there's no shelter.

So they unload, and as soon as the boat is unloaded they come to Bay Bulls. It might be only two or three tonight, it could be three tomorrow night. They're not unloading. We're not getting the benefits of our tally saying that there's this much unloading in Bay Bulls, because they have previously unloaded their product in another community and then they come to Bay Bulls to tie up maybe for one or two nights and then go on. This is a transient boat. We do get small bits of berthage for them, but they are using the facility. They need the facility, like the situation in Witless Bay, but without more infrastructure we can't house them. We're tying up two and three abreast in an unsheltered area.

• (1440)

Mr. Scott Simms: So if small craft harbours people say you have so many boats anchored up to your wharf, actually there are more than that, because you talked about the swordfishermen as well from the United States.

Mr. Donald Drew: The swordfishermen thing was a lucrative deal we worked into. We ended up having anywhere from five to six enterprises from the New England states operating there, and most of the crews now are Newfoundlanders. One came up last year and she took the skipper and engineer and they got two Newfoundlanders to fly down and take the boat up with them, and then the rest of the crew was picked up in Bay Bulls before they started fishing. So these are Newfoundland harvesters.

A lot of them are crew members from larger longliners. When they're finished now at the last of July with the crab and shrimp, they have a berth on an American swordfish boat, and they can provide for their families now up until October, when that particular species stops.

I mean, \$2.5 million to \$3 million is what is normal for these boats to land in Bay Bulls, all trucked out. Businesses have been operating now unloading the boats. Groceries are bought in the community. They actually purchased \$110,000 worth of lumber at the local hardware store in Witless Bay to build what I call caskets, because every swordfish has to be packed individually, or two or three in a box, and wrapped in ice. All of that is done in Bay Bulls and Witless Bay, in that area, as we're generally a community for the whole area. It is all done there and brings in major dollars for the crew members, the unloading, and for the hardware stores and businesses.

Mr. Scott Simms: Mr. Petten.

Mr. Ross Petten: With us there is off-loading also. A lot of longliners off-load in Port de Grave that are not from Port de Grave. That's one thing, and then there's a place to winter, because we have a very safe harbour—one of the safest, I would say, on the island now. As I mentioned earlier, it's man-made, and the way it was done, it's just like going into a big pond. Back years ago you could have them on lines and you wouldn't get them to last a week. Now they can be there, since the harbour really got straightened away about 10 or 12 years ago, and you haven't had to change your lines more. Do you know what I mean? It's a really smooth, really good harbour.

Mr. Scott Simms: How many boats do you turn away in the course of a season? To how many would you say you just don't have the room, that you know you accommodated them last year, but this year it's a different story?

Go ahead.

Mr. Donald Drew: Just for myself, I will use one example. We have our berth draw, it's called, for berths at the wharf. We have so many berths there, and you can put your name into a hat and your name comes out and you pick the berth that you like. They're two and three abreast. So far this year I've had 12 phone calls from people wanting to put in boats that I just can't fit in there, along with the ones that are already there and ones that have used it over the last number of years. We do accommodate the ones we've had.

Mr. Scott Simms: Are they all big boats?

Mr. Donald Drew: These range from 20 feet to 40 feet, depending on the size of the boat. Two years ago I had fifteen boats wanting to come to Bay Bulls for approximately two weeks from the mainland—it was a group of pleasure boaters—and I just couldn't. We got our fishermen together to see how we could move our boats around to fit these boats in. We tried everything. There was just no way we could fit these boats, so they didn't come. That would have brought money not only to the Bay Bulls area and St. John's area, but to other communities around the island.

They wanted that stopover. They were planning on coming somewhere across and staying on the Burin Peninsula, then going to St. Mary's Bay and then to the Bay Bulls area. Being so close to St. John's, that's a taking-off point then to be able to do St. John's and Avalon from, but then that was totally eliminated because we didn't have the space to do that.

Bay Bulls in particular gets 85,000 tourists a year to the bird sanctuary. Our three Liberal MPs were there last year and participated in the boat tour and everything. I was on the tour myself with them. That's the norm for what we get every year there.

Mr. Scott Simms: Mr. Petten, do you want to make a comment on that?

Mr. Ross Petten: We're in the same situation. There is no way we can get enough berths at the wharf. That's impossible. We're tied up three and four abreast, and of course our boats are mostly larger fleet, 65-footers. So as I said earlier, no matter how big the wharf is, it will never be big enough to accommodate everyone. But we wouldn't mind adding on a few more wharves in the harbour. We have now several wharves within that harbour you saw this morning. There are several different finger piers sticking out. We wouldn't mind putting more there.

Mr. Scott Simms: Go ahead.

Mr. Rom Dalton: In St. Mary's Bay, as I said in my presentation, on the whole bay, we have six harbour authorities. The reason is that most people use one or the other. Even people from the Placentia area come over within the same area and tie on. They land in Riverhead, on from Admirals Beach, and then they could end up landing anywhere. But there are two different ports: there's the landing port, and then we have safe harbours. Our biggest problem is that during the summer there's not enough room for everyone to tie on because all the boats are out, and in the wintertime there is no real berthage.

On December first of last year I got home from holiday. They'd had a big storm, and I had two ropes busted off the boat in Admirals Beach. It's not really a safe harbour. I harbour there because if you go to O'Donnells, what happens? They're tied two abreast, so against the westerly wind, when you leave them there, everything gets beaten up. There's only room for six at the wharf; when you go on the side, it slaps around.

In Riverhead, where I put my own boat over winter, I got stuck. I had to come back and drive her in through the sand two or three times before I got in there. I got out the other day in high tide. Most of the bigger boats can't get into Branch because of the gulf that runs back and forth.

So I think in our area, if there were landing ports and safe harbours.... The biggest problem is that we haven't got enough safe harbours to put the boats in case of storms.

• (1445)

Mr. Scott Simms: Interesting.

Mr. McGrath, I think you wanted to add something.

Mr. Kevin McGrath: You asked how many vessels we had to turn down during the year. In St. Brides haven't come to that yet. We see no problem with 20 or 25 boats, but the weather determines all that kind of stuff. When storms come up, people realize that they have to move. If the vessels are too big and there's not enough room, people move on their own.

Mr. Scott Simms: That's a good point.

The Chair: Thank you, Mr. Simms.

Mr. Blais.

[*Translation*]

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

Good afternoon, everyone.

I'm very happy to be here in Newfoundland and Labrador once again. I wish to touch upon subjects that have already been raised by my colleagues, as I share entirely their concerns and I am quite familiar with the testimonies because I represent the riding of Gaspésie—Îles-de-la-Madeleine.

Since you are sailors, and friends of sailors, you understand thoroughly that for the Gaspé and Magdalen Islands, the wharf plays an essential role: it is the heart of the village of the community. Without this wharf, our infrastructure and future would be mortgaged.

I wish to hear your comments on some of the new points that have been raised with respect to small craft harbours. Everyone knows that there's not enough money in the program itself, and that significant amounts must be invested. In the meantime, each province and territory only gets a small share, and is unable to rise to the challenge.

I want to refer back to some of the points raised earlier, specifically relative to boats. The boats have changed, and become larger. This means that space is needed and lacking, and additional investments must be made. There's another element that should have

been factored in these last years: storms that have resulted from climate change have a far greater impact than in the past. As such, if there are no breakwaters, the infrastructure or rock fill will only erode further with time.

I would like to know if you share these concerns, which have just surfaced recently, but which are becoming more and more significant.

[*English*]

Mr. Kevin McGrath: I agree with everything you said there about climate change and the boats getting so much bigger. I agree with you. I think there should be more money put into the management of the harbour authorities so that we can address those problems.

But I think we could also address something else. We're situated in the mouth of Placentia Bay. There's all this new development coming into Placentia Bay; everyone hears tell of it. St. Brides is right up on the headland. I think there's a need in some of the harbours around Placentia Bay for cleanup facilities and so on, in case there are oil spills and mishaps with all of this new development that's happening. So probably from some other association we could go looking for some funding too, for firefighting equipment and stuff like that.

All of that would make our harbour a lot better and a lot safer.

Mr. Raynald Blais: Mr. Drew.

Mr. Donald Drew: On the storm surge part of it, I do agree with his points. We all have large shipping areas, and oil is a big issue to all of us. We're all just waiting to see when something is going to happen, in Placentia Bay more than anywhere else, and St. Mary's Bay, because there's so much oil traffic directly through those areas.

Growing up as a fish harvester in my own community, I never thought of storm surges as being a fear. Now you watch the storm surge warning as much as you watch the weather warnings. When you see a small community with no wind or tide, and all of a sudden, on a beautiful day, in a matter of two hours there's no water left in the inner part of the harbour in an area where's there's 25 feet of water, and then in a matter of three hours the wharf is underwater—these are the things that have been happening in the last couple of years that never happened before.

Because of those surges, the small marginal wharf we replaced a couple of years back was actually built higher than the previous one that had been there before. Everything that we're doing now is going higher, because we do see the conditions are getting worse. Again, that puts the price up, but if we don't make those moves and don't put in the higher breakwaters and everything, what we have is not going to last.

• (1450)

[*Translation*]

Mr. Raynald Blais: Another element that was mentioned in recent weeks and months is extremely concerning for you, who are in such need of this infrastructure. I'm talking about the negotiations of the World Trade Organization on fisheries subsidies. The negotiations are being held very far from us, but concern us all.

The preliminary text contains provisions prohibiting subsidies. These prohibitions strike me as a problem; they run the risk of further mortgaging our future. They concern prohibitions on wharf infrastructure subsidies, something we are defending today.

Firstly, I would like to know if you have been made aware of these negotiations. Are you just as worried as I am over them? How would you like to see us take action on this issue?

[English]

Mr. Donald Drew: Just as a comment, the European Community talked of these as subsidies. Without subsidies, how would the agricultural industry for flowers work in the Netherlands? If they were not eliminating ground from the deltas to prevent water from building up and the tides coming in, they would not survive. It's an economic avenue that they've been using for hundreds and thousands of years to build a country where there wasn't one.

I say yes, get subsidies. There are wharves to be built. Whether it's for fish harvesting enterprises or a truck coming off the ferry in Port aux Basques to truck lumber material to the mainland, or whatever, those are there. They'll pick and choose as they want. There is infrastructure needed, and it's not only for harvesting or fishing, whatever it is, but all countries of the world use this in different avenues. When you're building a wharf in Spain or Portugal to walk down to the local café, that is an economic subsidy. It's not being built by the person who has the café there, but they are building a structure there for economic benefit to their community, and it could be a Newfoundland tourist sitting in the café.

The Chair: Thank you, Mr. Blais.

Mr. Stoffer.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Thank you, Mr. Chairman.

It's a pleasure to be in your riding, and a pleasure to be once again back in Newfoundland and Labrador.

The Chair: Mr. Stoffer, I like the colour of your shirt.

Mr. Peter Stoffer: Thank you, sir. I'm getting ready for the golfing season.

Sir, you used the word “subsidy”, and I would eradicate that from your vocabulary and use the word “investment”. “Subsidy” scares government people off. I think “investment” is.... It's like “seal hunt”; you change it to “seal harvest” and it sounds much better for those who don't understand what they're talking about.

I'm going to play the devil's advocate here. In the downturn of the fishery, we heard, you can't have a fish plant in every harbour. You can't have it in every town. Can you have a feasible working wharf in every harbour?

The reason I say this is that, as you know, without migration, with the downturn of the rural economies in Canada...it's like the old grain elevators in the Prairies and some of the railroad tracks. Can you feasibly have what you're asking for in every single harbour? It's not just what we've seen today; there are many more. Is it possible?

Government, at the end of the day, regardless of which government it is, will have to make decisions based on the harbour authority, on who they are, on the long-term goals of that harbour

authority. Will you be there in 10 years yourself? Who will be replacing you? What are the materials of the wharf? What about the fishing industry itself? Will it be sustainable in 10 to 15 years? Will there be enough fish to warrant that type of investment?

With regard to tourism, I've done the Witless Bay tour myself. I never knew a puffin was 12 inches until I actually got here. They look so much bigger on TV.

All of these things have to be taken into consideration—the population of the community, etc.

I know it's a tough question to ask, because some communities will benefit and others won't, but is it feasible to do that?

Go ahead, sir.

• (1455)

Mr. Rom Dalton: I believe that in our bay regionally you have to look at...because it's not easy to get money for every place all at the one time.

Mr. Peter Stoffer: Yes, sir.

Mr. Rom Dalton: So I believe, as you go around with your group, you must also look at the regions. What are the best benefits for each area at the time? Let that be done, and make the best use of the dollars.

As to the best place to put a harbour...and that's not taking into consideration some landing ports. People need landing ports all over. You don't need a great big harbour in every community, but you need enough to sustain the boats that are there and give them time—from anywhere within an hour—to get to a safe harbour.

So the landing ports are important, and the headlands. Any place where it takes millions of dollars to build a real harbour, probably the first storm is going to destroy it.

Mr. Kevin McGrath: I see a major need to continue with the harbour in St. Brides. We're right on the headlands of Placentia Bay. If you had to steam to another close harbour, it would be roughly three hours away to get to a good harbour.

And we have a lot of fishing activity going on, right on the headlands of Placentia Bay. You often hear the saying, “If there are two fish left around the island of Newfoundland, one of them is at Cape St. Mary's.” That's where we're to, and that's why we need the harbour in St. Brides.

Mr. Peter Stoffer: Right on.

Sir.

Mr. Donald Drew: And the other fish is at Renew's rock on the southern shore.

I'll add just one thing on that: it already has happened. Around this province there were, it's estimated, over a thousand communities here. Now we're down to a couple of hundred harbour authorities operating. And these are operating for a reason: they've been sustainable.

Anything we do around this table will not really make a big load of difference in how things survive. It's the fish, or crab, or shrimp that will. Port de Grave has a big harbour because of the investment put into the harvesters, into the different species, and because of their proximity to those stocks. Likewise with Bay Bulls and St. Mary's Bay. We are limited, and it's the same thing in St. Brides and that area, and Branch. These areas are there for a reason, because our forefathers went there for fish. These areas have survived for hundreds of years because there's still fish there.

When you go to a place where the amount of fish has gone down, you see fewer people there. I'm a fish harvester in the summertime. I teach MED courses in the wintertime. I'm travelling this whole island, from the top of the northern peninsula to every coast. In a place where there's very little harvesting left, there's no one coming in looking for a big wharf. There might be a couple of little harvesters left in the community, but they're not looking for major infrastructure.

So the stock itself has regulated what is left there now. There are small harbour authorities operating in parts around the coast with four and five boats. And when you go to another community, whether it's 18, 20, 40, 50, or 80 boats, right around this island, the species themselves have regulated it.

We're having a reduction in harbours. If we had a small craft harbours wharf in every location where our grandfathers fished around this island, believe me, in today's dollars, the budget of Canada would not keep that infrastructure in place. The fish themselves have regulated it.

A person fishing at, I'll say, a wharf in St. Mary's Bay cannot come to Trepassey to land if that's where his harvest is to. But he's making a business move for best fuel, services, and everything else, and that is what comes into it.

The fish have done this, and industry has done this. Basically, all we're doing is making those harbours viable. And we're doing it.

● (1500)

The Chair: Mr. Petten, do you have something to add?

Mr. Ross Petten: Yes, I would like to make a comment.

Off-loading ports are different from having a landing port, but we've sort of moved in that direction. That's where the main ports are going to be most of the time now. Some may be allowed to be left here, but most of it is gone, and that has happened through natural causes. Everything has gathered there. So that's really going to happen anyhow, by the way everything is going to all filter down through the system. DFO has off-loading ports now, landing sites, and whatever, so that's going to take away a lot of...

I can remember that at one time in Port De Grave alone we had four wharves, but they're not maintained anymore and we had to let them go by the wayside and just have one big harbour.

The Chair: Thank you, Mr. Petten and Mr. Stoffer.

Mr. Calkins.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Mr. Chair. It certainly is a pleasure to be in your riding. You speak very passionately about the folks you represent, and it's good to see some of them here today.

I certainly welcome our guests who have come to the committee. It's an honour for me, as an Albertan, to be out here and to hear some of the trials and tribulations folks are going through on each of the coasts and throughout our country when it comes to fisheries issues.

Listening to some of your testimony today, I get the feeling that some of the problems we have today are because twenty years ago, when we made those decisions, we didn't know where we were going to be. And if we make decisions today based on our needs today, we're going to have the same problem twenty years from now. At least that's my way of thinking.

From my perspective, it would make sense.... I'd just like to get your feedback on whether or not, given the context of the current vision statement for the small craft harbours program.... Where do you see harbours needing to go? Does it make sense that we have almost a one-to-one ratio of harbour authorities looking after their own harbours? Should there be regional harbour authorities making decisions based more on economic development for a region rather than for one or two communities in a small harbour? Where is the usage coming from?

Traditionally, the harbours have been there for the fishermen. I'm hearing from folks that there's more and more demand from recreational boaters. Some friends I met here a few years back are casting off and sailing around the world. That seems to be one of these new recreational opportunities that people are doing, whether they're sailing north from the United States, coming over from Europe, or whatever the case may be.

What do you see a small craft harbours program should look like twenty years from now, given the fact that the fishery is changing and the demands are changing as far as the clients coming into the harbours are concerned? Where do you think we need to go insofar as managing these harbour authorities?

The Chair: Don.

Mr. Donald Drew: That's an interesting question.

There's no way to actually be able to target at twenty years. If you asked anyone around this table thirty years ago, with the exception of Kevin, if crab would be your primary species, they would have said, "You're crazy; it's a nuisance fish"—and likewise with shrimp. Those species were not really.... Yes, they were marketed and they were harvested, but not to any great degree. It's hard to target that thirty years down the road.

With the regional side, it could work, in some sense. Up until now there's been a lot of friction against having areas of harbour authorities. Maybe there's a way to actually have them come together at one table for discussion in areas, to try to discuss how to better approach this. But everyone is still going to try to protect their community, their area, or whatever.

There are certain things you do together. In our area, there are three communities that had operating wharves but no longer have them. That has happened, and those fish harvesters have moved to either Bauline or Witless Bay or Bay Bulls to operate their businesses because those other three are no longer there. We're doing it regionally, not by design but out of necessity, and I think that will continue.

You're going to have an awful hard sell to go into any area and say this wharf is going to close. There was something on the news last night about an arena somewhere that is going to be closed up, and the council is going against it, but everyone in the community jumped forward and kept it. The same thing will happen with that wharf.

There are ways we can work together as individual harbour authorities to try to get a volunteer group to take care of a bigger area. I'm on town council and have been for ten years. I'm the mayor of Bay Bulls. You look at a larger area, and the things I do on the town council, the harbour authority—and all of us here are the same way, for your own community—it's awfully hard to do that work. We go down and we put fenders back on the wharf. If the floating docks have been moved or something, we go down and do this. This work is not hired out; we give thousands of hours every year to that facility. To do that for a larger area is going to be pretty hard. You're not going to have the benefit of saving money, because there's staff and everything else, so it could actually have the opposite effect.

• (1505)

Mr. Blaine Calkins: You'll lose the sense of ownership at the local level.

Mr. Donald Drew: What I see down there is something that I've built. I'm part of it. All of us have the same feeling for the areas we're in. When you see something go in there you think, "I helped do that". It gives you pride, and you want to see it survive.

We all survived through 1992 and that moratorium. Keeping any harbour authority going during the first three or four years of the moratorium was, I must say, a nightmare. You're on a wing and a prayer to keep the doors open, and we did it. Everyone at this table worked hard to get those harbour authorities to survive. We did it because it was for our community, and it was our future. We still see that work as our future.

To look at a bigger area, there are certain things you do regionally, but that's going to be a hard one.

Mr. Blaine Calkins: Keeping that in mind, and I know some others might want to address this, but it was brought up by someone—I don't recall who it was—that harbour authorities are elected. Who gets to vote?

Mr. Donald Drew: Legally, members. Anyone can be a member of a harbour authority. We have fish harvesters, tour boat operators, fish farmers, and pleasure boat operators who are members of our harbour authority, because they are traditional users. In our own harbour authority, among ourselves, it is a majority of fish harvesters. Right now I have four fish harvesters, including myself, on the board, and I have one retired DFO scientist. At times we've had numerous different people.

Mr. Blaine Calkins: Interesting.

Does anybody else want to take a stab at that?

Mr. Rom Dalton: I believe that in order to keep anything you've got to have the individual local harbour authorities, as Don was saying, to look after the necessary things. Last year some fenders went off the wharf and went down, and some needed to be put on that weren't there before, so we all went down and put them on at no cost.

But on the overall regional thing, it would be great if you had a board to sit down—and everyone's on their own side, because there are only so many dollars to go around—and figure out where's the best place to spend the dollars. I think that would be a major deal. But don't take away—

Mr. Blaine Calkins: And take that out of the hands of DFO, or simply make a recommendation to DFO?

Mr. Rom Dalton: Well, it would be making a recommendation, because most of the stuff is probably done, evolved, but make recommendations too. I'm sure if recommendations come from a regional board that we're going to spend money here, even though every harbour authority wants it here, if you make your case I think it can work in any area.

Mr. Blaine Calkins: Interesting.

Mr. Kevin McGrath: I'd like to say that I think the harbours have probably scaled down as far as they'll ever be. At least that's what we see around Avalon. What harbours are there now are the much-needed harbours. I see in our little place up there, we lost one harbour on one side of us, Point Lance—it just closed down, went out of business—and we lost two little harbours on the other side of us. Their fishermen came to our harbour, or we went to their harbours, and it was something like a little combining. And that's it. What harbours are there now are much needed.

Mr. Blaine Calkins: One of the statements that are currently in the vision for the small craft harbours program from DFO.... I'll read you the last statement:

These harbour authorities, representing users and local communities, will assume full responsibility for all activities at their harbours, including the management and conduct of minor maintenance activities, and provide significant financial contributions to funding their harbours.

Other than through the volunteer time, which I think is very significant, obviously as demanded or as needed, I think people would probably pony up materials and supplies if they've got them in order to keep their harbours going.

Can any of you describe to me any other types of economic activities, whether through the berthing fees that you charge...? I think there are two tiers sometimes, depending on whether or not people off-load there, and I'm wondering if you've got tiers based on the type of user, whether a fisherman pays more or less than a recreational user. Are there any other types of economic activities that could or should be undertaken at these harbours to augment the amount of revenue that these harbours can gain as far as the revenue stream is concerned?

Mr. Kevin McGrath: Yes, we have a fee that is based at so much per pound. We had 3.8 million pounds come in last year, and we took in a bit of money like that. I think it was a quarter cent to a half cent per pound. We also charge per vessel to tie off. That will range from \$49 up to \$100 for the year, depending on the size of the vessel. Out of this money we have a harbour supervisor hired on who goes around every day and makes sure that everything is kept nice and tidy down around the harbour.

Mr. Blaine Calkins: How much time do I have left?

• (1510)

The Chair: None, but I'll allow Mr. Drew to answer.

Mr. Donald Drew: He's tight on his own.

With the money coming in to keep those doors open since 1992 we had to get inventive: supply boats, cable ships, cruise ships—you name it, we've done it to keep those doors open. That money goes back to the harbour authority.

For an awful lot of the work we do in these harbour authorities we don't contact the small craft harbours people. We've got four fenders gone, we've got a ladder gone, we need divers.... We have to hire divers. Sometimes we can avail ourselves of government services and at other times we don't; we just go ahead and do it on our own. We do this a lot. If we need lines in the parking lot, we have staff or students, and we have to get them trained. All this money comes out of our general revenue. That money comes back into the facility and goes in for the infrastructure of the facility.

We're all pretty proud of what we have there, and we see ourselves as little town councils in a way, because we're taking care of that for the greater good and for the people coming behind.

We are making a major investment in it. The volunteer is one piece. We all pay fees at the facilities and we've talked about the berthage fees and prices for unloading. We have tour boats operating and they have to pay licence fees. We have processors paying licence fees. The American swordfish boats pay unloading fees per pound. All companies do that; it doesn't matter what it is. Even the Canadian government comes in and ties on and they pay berthage for the coast guard boats. So no one gets a break. Everyone pays.

I will say that we do give one break. If a pleasure boater comes in, one of these transient boats or yachts going around the world and that kind of stuff, we given them their first night for free. We give them a break.

The Chair: Thank you, Don.

I would just advise our guests in the back that there's coffee and tea available over here, if you haven't found that yet. Anybody's welcome to that.

It's a great conversation we're having here, I must say; it's very informative. But on Mr. Calkins' questions on harbour authorities, I was a member of the regional harbour authority in my hometown of St. Brides as a business person in the community, not directly involved in the fishery but a member of the regional harbour authority. So it's open to anybody in the community who wants to become a member to assist in any way.

We're going to start our second round now. We are going to go to a man who knows harbours quite well, I'm sure.

Mr. Matthews.

Mr. Bill Matthews (Random—Burin—St. George's, Lib.): Thank you very much, Mr. Chairman. It's nice to be here in your riding.

I'd like to thank our witnesses for coming and to thank you very much for the volunteer work that you've put in. I know in many cases fish harvesters are also members of harbour authorities, and I guess that's why we've come to talk about fatigue so much, because not only do you spend a day on the water but then you try to manage your harbours and all the other things. So I want to commend you for that.

The topics have been pretty much covered. For us today we looked at three harbours this morning. The main requirement for the first harbour was a breakwater. The second one needed some dredging plus other infrastructure. Then we went up to see Mr. Petten, and looking at his harbour, I wouldn't think he would ever need anything again, but they do. That's the extent and extremes that we saw today, which for me is nothing new, because I come from the south coast and I have different levels of harbours and so on. But it was quite interesting to see the way the chairman had the tour orchestrated. We did three levels, which was very informative.

I just wanted to go on about the safe harbour piece in particular in relation to what Mr. Dalton said when he talked about his five or six harbours. I'm trying to get my own mind around that, because there can be only so many of those, for obvious reasons, funding being perhaps the most important reason. Otherwise everybody would have a safe harbour.

How do you see that process developing? How do small craft harbours, with harbour authorities and other interest groups, decide where safe harbours are strategically located? That seems to be, I think, the biggest challenge for us. How do we decide that? If you had five or six interests or harbours, as you have, and you were to ask them, they'd all think they should have the safe harbour. But how do we evolve and get that way? The demand for the dollars is so great, so how do we ever get there?

• (1515)

Mr. Rom Dalton: In our area, which is not a big area—it's probably one of the smaller bays—there are not that many harbours. We have a harbour in O'Donnells here and there were a good many dollars spent on it a couple of years ago—I think it was \$1.2 million. They put some armour stone and that out, but it's only safe to the point where you can tie on one boat. Once you tie the second boat on and you get strong winds, you start flopping around. So with a small amount of money, that could become a safe harbour for more people, if you tied two on.

When you go into Branch, that's a safe harbour, but not all boats can access Branch. Anyone with larger drafts can't get in there, and once you're in there, you're safe pretty well for the winter. And now you're dealing with Riverhead, which was fighting, because a few years ago they had the wharf on the north side of Riverhead for small crafts only, but nobody was using it, and they were all using the gut, the pond that was safe. Back a few years ago they got permission to change.... They commissioned a wharf on the north side, I believe, and they got a harbour authority to look after the gut. Now, that harbour authority is probably the safest harbour in the bay. I had my boat tied on there for the first time. As I said, I beat in there, but once you're in there, I think you're pretty secure. Any dollars that you spend on Riverhead will be there for good. There's no tide. There's no wind. You can probably tie her on with a shoe string. And it's there for life. The wharf there is not something that will be beaten up or could possibly be knocked down at a later time.

So that's how you determine where the best place is, and we have pretty well only the three places.

Mr. Bill Matthews: As politicians, we work with harbour authorities, and we're always driving guys like Gary Sooley foolish trying to get money for this community and that community, this harbour and that harbour. It's one hell of a nightmare, really, because everyone feels their requests are so justified—and so they are.

I just want to touch on the self-sufficiency Mr. Calkins talked about. All of you collect fees. All of you have sort of a harbourmaster or supervisor, I guess. Outside of your requirement for infrastructure investment, are you self-sufficient?

Mr. Donald Drew: I speak for my own harbour authority, and yes, we are. We have been for a long time, with the exception of infrastructure and large projects and certain environmental things. For instance, a couple of years ago we accessed those waste-oil tanks. They came from the department following a request. Generally speaking, though, for infrastructure, we are self-sufficient.

Mr. Bill Matthews: Mr. Calkins talked about the mandate or the mission, and he read a piece that said that it wasn't easy at the beginning to get people to buy into the harbour authority program. It was very difficult, but over time it has evolved, and right now, in my estimation, it's a great success story. I really believe that.

Do you ever think we'll get to the stage where we can meet that part of the mission statement that he read? I don't believe we ever will, not in my neck of the woods. We'll never get to the stage where harbour authorities will raise enough money so that they'll be able to take care of the infrastructure requirements and needs that we're talking about today. I don't think that's ever going to happen. So what's your view on that? If you stick by the mission statement and so on, that's what it says, but do you realistically think we'll ever get close to it?

Mr. Donald Drew: The province has to go to the federal government for joint funding on all infrastructure. The municipality has to go to the province and the federal government for joint funding on infrastructure. I'm going to say it's not realistic to expect the harbour authority to be able to do their infrastructure large projects without help. That's not really feasible.

The Chair: Does anyone else want to make a comment on that?

Mr. Matthews' time is up. We'll go to Mr. Blais again, please.

[*Translation*]

Mr. Raynald Blais: A movement has begun in Quebec. I assume that the same movement could occur here, but I'd like to hear your opinion. We could say that people are extremely fed up. I don't know how that can be said otherwise; but it has reached a point where volunteers, wharf authority directors, have had enough with being subjected to people's incessant demands and frustration, year after year.

This movement I'm talking about started in the province of Quebec. Gathering from what has been said by port administrators working in all areas of the Basse-Côte-Nord, the Gaspé and Magdalen Islands, the same message can be distilled from all of their testimonies: if the situation does not change soon, the entire issue is simply going to be put into your hands, because they do not want to be acting as "bumpers".

You work on the front lines, and are the first to experience this frustration, this anger and disappointment over unmet needs.

Could this feeling, which is also prevalent in Quebec, and which is growing, and may even lead to the mass resignation of harbour authority directors, also arise here?

• (1520)

[*English*]

Mr. Kevin McGrath: I do not see that happening very quickly. The last time we had elections for the harbour authority, we had something like 13 people run, and there was great interest in the harbour authority in St. Brides.

[*Translation*]

Mr. Raynald Blais: I just wish to clarify that. This is not necessarily a matter of lack of interest. People want to continue, keep on working, but have the impression that they are just managing an untenable and unsustainable situation. This is exactly why they want the department to assume its responsibilities.

Mr. Drew.

[*English*]

Mr. Donald Drew: I will use myself as an example. In my own community we've had warring factions, and they've been in the media across the country. Those are our tour boats. The harbour authority, during the last 19 years that we have been operating, has been the mediator in a lot of this between the tour boats, the tour boats and the oil industry, the fish harvesters and the fish farms, the fish harvesters and the oil industry, the fish harvesters and the tour boats. The harbour authority, a group of volunteers in the middle, have been the mediators. If we were gone, the members—federally and provincially—and the small craft harbours directorate would have an ungodly job in this province. We have even gotten involved with archeology because we have an historic site at the bottom of the harbour. We're working on deals between that and the offshore oil.

If you ever want to find people who can juggle, you have four of them here and a thousand more around this province. That's what we're doing every day.

There is a burnout thing there. We have a lot of interest. It seems every time we have an election, we get new people on our board, just as Kevin has mentioned. They are interested, but you do get burnout. I've been there for 19 years, and I think I've been wanting to get a kick in the arse for 19 years, but I have to do it because it's my community. It's my industry, and I want my community to survive.

[Translation]

Mr. Raynald Blais: What do you think of the movement? What the people of Quebec are doing is setting off an alarm, no more, no less. In a certain way, this is also a cry of desperation over certain situations.

Do you share this frustration?

[English]

Mr. Donald Drew: Yes.

[Translation]

Mr. Raynald Blais: Let us now turn to the ACOA, the federal organization that grants various subsidies. I've learned that over the past years, subsidies have been given to this region in particular. In fact, Mr. Drew talked about the ACOA subsidies earlier.

Have there been subsidies over the years? Was there a moratorium, or will you be able to access supplementary funds once again?

[English]

Mr. Donald Drew: I'll use myself as an example for Bay Bulls. I can't speak for the other communities.

We have never accessed ACOA money for wharf projects. It's an avenue we're going to try, and it's not for fish harvesters' wharves, because those do not qualify. This is for the portion of our facility that's going to be used for pleasure boaters and tour boats. We see it as a two-pronged approach, because we have a fishing part of our structure and then we have a tourism part of our structure. This is where we see ACOA having to play a part.

But we have never accessed any money from ACOA for wharf projects in my own community. I wish we could have.

The Chair: Thank you, Mr. Blais.

Mr. Stoffer.

• (1525)

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

Gentlemen, as you know, our chairperson was able to introduce an interim report on small craft harbours in December 2007. Have any of you had a chance to read that report? If you have, what are your comments on it? Did we do a good job? Were there things missing?

Obviously it was an interim report. We are here to have a final report in order to assist the minister, who, as you know, is from Newfoundland and Labrador. We believe he has the same concerns as we do of further investment in small craft harbours, not just here but across the country.

So I want your opinion on that report.

Mr. Donald Drew: I did go over the report in much detail—not in perfect detail, but some—and it was nice, not just from our side of it but also from the small craft harbours side of it. Gary Sooley is behind me here. We all know every one of Gary's numbers, including his home number, off by heart. But it was nice to actually have on paper what needs to be done and where it needs to go, in a sense. We know that it was interim, and that what follows will be very important.

Mr. Peter Stoffer: Gentlemen, you have indicated that you have challenges through ACOA. In Nova Scotia they have accessed some ACOA money by claiming on the economic side, such as the number of jobs created. Sometimes Service Canada will assist in workers' training and paying for some of the wages, and sometimes ACOA will for the roads going to and from the wharves. I would recommend that you try that again and see where they can be of assistance in terms of the economic value of that.

There's one question I haven't asked yet: is the province in any way, shape, or form assisting small craft harbours or the authorities with any kind of assistance whatsoever?

Mr. Kevin McGrath: Yes. We might get a provincial grant of \$3,000 per season. That's what we obtain. You might get that for freshwater supply or saltwater supply or something like that.

Mr. Donald Drew: I'm going to say no, not in about ten years. We used to receive the same thing. We haven't availed ourselves of it since becoming somewhat self-sufficient.

Mr. Peter Stoffer: The reason I ask is that, as you know, governments, previous and current, look for partnerships with the provinces or the regional municipalities, or in some cases with the larger cities. Have there been any discussions that you know of at the provincial level in terms of their getting involved in some way?

Mr. Donald Drew: On the piece that we're doing with tourism, the province's finance department does have someone at the table with us. We took all the groups in community tourism and put them at one table. There are 22 individual businesses and entities there now. I'm there for the harbour authority. Basically through this we have someone at the table from the provincial finance department. They have, on the tourism side of it, helped fund some tourism issues in the way of training and plans for the tourism committee, but not for the harbour authority.

Mr. Peter Stoffer: In closing, I want to say that I admire the four of you and your families and your communities. I remember very well, and everyone at this table remembers, what happened in 1992. Thousands of your neighbours left this province to find so-called greener pastures elsewhere. When you talk to all of them, in Fort McMurray or Ontario or wherever, they have that longing in their eyes to come home. I want to congratulate you gentlemen for sticking it out and making a livelihood out of it. You should be congratulated for your efforts.

Thank you.

The Chair: Thank you, Mr. Stoffer.

Mr. Kamp.

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

Thank you, gentlemen, for coming and for the work that you do for small craft harbours. It's certainly appreciated.

I'm from British Columbia. The Fraser River runs through my riding, and I do have three small craft harbours, about 65 fewer, I think, than are in Mr. Manning's riding.

I'm also the parliamentary secretary to the minister, so I'd like to ask you—although I'm reluctant to do so because Mr. Sooley is sitting right behind you—to characterize your relationship with the small craft harbours program and how well you get along, how you rate your cooperation, and so on.

I'd like to hear briefly from all of you on that, please.

Mr. Donald Drew: I just want to make a comment. We've fought. We've argued. We go to him like Santa Claus for one thing more than we're going to get. But they're our friends, and we know where they come from, and it's good that we have them there. They're good people to work with. That's from Gary and Bill Goulding on down, whoever we're dealing with. We've had really good relations.

Mr. Kevin McGrath: That's right. I have to agree with that. The main thing is that there we do our bit of negotiating. We sit at the one table, and sometimes we get what we want and sometimes we don't. But we're still holding in there.

• (1530)

The Chair: St. Brides is always negotiable, right, Kevin?

Mr. Randy Kamp: Mr. Dalton.

Mr. Rom Dalton: Over the last number of years we've always gotten along pretty well with Gary and all the crowd that comes around. Anything we've needed...even last year one time we didn't mount a jib crane and then we decided we needed one, and within two weeks it was on the wharf. Everything seems to be working pretty well. There are never any problems. I think what helps keep all the harbour authorities going is that little meeting they have in the fall of the year, mostly in Gander, for all the harbour authorities to go to. It brings people together, and it keeps them together. They go home and everything is not forgotten about, and by the next year you get more ideas and more help, and everything seems to work pretty smoothly.

The Chair: Mr. Petten.

Mr. Ross Petten: We feel the same way in Port de Grave Harbour. We have absolutely no problems with the small craft harbours. We've got a good working relationship. Anything that we need they almost always come to the table with. I'm not saying that we always have everything A-1, but we always work through things, and there are absolutely no problems. It's perfect.

Mr. Randy Kamp: I have one other question. I'm just curious as to how you set your berthage rates. As my colleague was mentioning to me, those of us who pay for parking in Ottawa, for example, pay more in a month than these ships would pay in a year, in some cases. So I'm just curious. Do they go up regularly? It just seems low to me as an outsider. I realize I don't know what I'm talking about, but I just wonder how you set these rates.

Mr. Kevin McGrath: As for us in St. Brides, we have debated this a little bit over the years. We keep down our rate for berthage fees a bit because then we benefit more from their landings. We think

that if our berthage fee was too high, we might frighten some of those boats away and we wouldn't be getting their landings.

Mr. Randy Kamp: Is there anyone else?

Mr. Donald Drew: You are very inventive in what you try to do. The fee you have to charge depends on what service you provide. When our harbour authority was first formed, we had very little service to provide, with the exception of berthage. As we've grown over the years and made reinvestments in fresh water and bathrooms, things have gone up. But as he just mentioned about the price per pound, there are ways of bringing it up that mean berthage is not being paid directly, but still the harvester is paying.

I compare it to a council with a mill rate tax. Mill rate tax is based on the investment in your property and what your property is worth. Our tax on unloading, with the price per pound.... I do lose off what I pay, so they get paid from the plant on this price per pound. But with that alone, because of the value of my enterprise, I'm paying by the revenue I have coming in. I still have my base amount there if I don't unload there. So there is a way of getting a two-pronged approach. You get it for unloading there, and you also get it even if you don't unload.

Mr. Randy Kamp: Wouldn't it make sense then to charge a higher fee to those who don't unload, either pleasure boats or especially tourist boats?

Mr. Donald Drew: Our fee structure applies such that if you are a non-fisher vessel, pleasure or commercial, you pay double the berthage fee of the fish harvester.

Now, other services there, such as using the jib crane, are the same price. You mightn't think that non-fish harvesters use jib cranes, but if you have a tour boat with a 100-passenger life raft, they need to use a jib crane to get it off the boat. So they do pay those fees.

There are different ways of generating the revenue. When it's all broken down, actually the harvester is paying pretty close, because they're availing themselves of more services, and you pay for what you use. Some harbour authorities are even involved in renting cranes and charging it back to the harvester, which we do.

Mr. Randy Kamp: Thank you very much.

• (1535)

The Chair: Thank you, Mr. Kamp.

I just want to finish up. Our analyst is just wondering, as members of harbour authorities, have you ever received guidelines on how to set your rates? I know every individual harbour authority can set their own, but are any guidelines forwarded by the department in any way, shape, or form to assist you with that?

Mr. Rom Dalton: I think at first there were some general guidelines, but actually you could charge whatever you thought you needed to meet your budget for the year.

The Chair: Mr. Drew.

Mr. Donald Drew: It is cost recovery as such. You do try to have a cushion there for a bad year. But it's the same thing; on day one there was a little guideline that came out. We work back and forth in your area. I'll use an example. Over the last few weeks the harbour authorities from Petty Harbour, Flatrock, Torbay, and anything further along—we've all contacted each other to see where we're sitting on rates for this year, to be competitive. We don't want to make one harbour seem too cheap, but I'm going to say we're all in the same ball park on fee structure. Generally speaking, we're all working together. That way we can all benefit and no one gets hurt.

The Chair: Thank you.

Thank you once again to the witnesses for your conversation here today. It's been very worthwhile, and I think it's one of the better ones we've had in our study thus far, because it's coming right from the grassroots, the people who are on the wharfs and in the boats themselves.

I come from a small fishing community on the cape shore; I have never fished, but I do know how important the wharf and the facilities in the harbour are to the community in every way, shape, and form. It's people like you, who are doing that now on a volunteer basis, who are very important.

So on behalf of the committee, once again I thank you for your presence here today. Certainly if there is anything further you would like to add to our conversation today, feel free to forward it to us while we proceed with finishing up on our report.

Committee members, we're going to take a five- or six-minute break now to get ready for our next panel....

Mr. Drew.

Mr. Donald Drew: I have one quick comment. For the MP from Alberta, if you want to get votes, there are so many of our friends and relatives in Alberta that if you put wharfs in Newfoundland, you'll get votes in Alberta.

Voices: Oh, oh!

The Chair: We'll suspend for five minutes.

• (1535)

(Pause)

• (1545)

The Chair: Welcome back.

I want to welcome our second set of witnesses. For those who may not have been here at the start of our last session, we are the Standing Committee on Fisheries and Oceans for the Parliament of Canada. We're travelling in Atlantic Canada and Quebec over the next four to five days as part of an ongoing study we're doing into the small craft harbours program. Our purpose is to hear from harbour authorities—and in this case we have additional guests—and to hear the concerns you have with regard to funding for harbours, anything that may be required to assist you as volunteers on the harbour authorities, and any and all things that relate to the development of your harbours.

I realize we have people here from different harbour authorities. Perhaps you could expand on the harbour program in general, not

necessarily mentioning your own harbour, because we're studying the whole small craft harbours program.

For the witnesses, the members of the committee are comprised of the four parties in Parliament: the Liberals, the Conservatives, the Bloc Québécois, and the NDP. Our purpose is to present a unified voice back to the House on ways to enhance the small craft harbours program. Most of the committee members have small craft harbours in their ridings and are quite familiar with the workings of them and with the concerns. Our goal is to try to find some of the issues out there and try to address them.

In addition, for the members of the committee, Mr. Pat Curran here is the executive director of the Irish Loop Development Board, which covers part of the southern shore at St. Mary's Bay; it's an area that has focused heavily on the fishery for many, many years. I just wanted to put a different flavour into the conversation, from the development board's point of view. The others are members of harbour authorities and they'll introduce themselves as they go along, I'm sure, and who they represent.

With that, I'd like to open the floor....

Mr. Simms has a housekeeping item he'd like to mention.

• (1550)

Mr. Scott Simms: Thank you. I was going to leave this till the end, but I'll probably forget.

For the benefit of those in our travelling road show, we're going to Gander tonight, and for those of you who have Roger's cellphone service or a BlackBerry, it doesn't work, so when you get on that plane, there's no coverage in Gander. You will not get reception again until you reach Charlottetown. Bell and Telus are fine.

Mr. Blaine Calkins: They don't tell you that in those Danny Williams commercials.

Voices: Oh, oh!

Mr. Scott Simms: Well, you'll have to stop and talk to him.

The Chair: Mr. Simms might be able to put in a word for you there.

Who would like to start? Dave, you look like a fellow who'd like to start.

Mr. Dave Johnson (Harbour Authority of Old Perlican): I don't mind.

Good afternoon, ladies and gentlemen and distinguished guests. My name is Dave Johnson and I'm the president of the Old Perlican Harbour Authority. I'm also a fish harvester.

Old Perlican is located on the eastern shores of Trinity Bay and it has one of the finest safe harbours in the area. The history of Old Perlican has always been linked to the harbour and to the fishery, since the time of its first inhabitants. The primary activity within the town is centred on fishing and marine-related commerce.

After experiencing the economic downturn established by the cod moratorium, the harbour at Old Perlican is once again returning to its former prosperity, due largely to the shrimp and crab fisheries. The economic viability of this area will depend in part on how well Old Perlican develops and expands its fishing and processing.

In 1999, the number of fishing vessels using Old Perlican as a home port or a landing port was estimated to be 83. Out of the 83 vessels, 63 were under 45 feet, while there were only 20 over 45 feet. The landing total in 1999 of all species was only three million pounds.

A study done Harris & Associates Ltd. in 1999 stated that in order for the port of Old Perlican and the processing plants in the area to survive, major changes had to take place. These changes include the development of a tie-up area within the harbour but separate from the off-loading areas, the need to deepen the channel leading into the harbour as well as specific areas inside the harbour, and the need to provide adequate berthage and winter storage for the boats. Since this report was released in 1999, small craft harbours has spent approximately \$6.7 million to improve the harbour at Old Perlican in order to accommodate the changes in the fishing industry. A lot of the changes suggested by the Harris report have been done, some of the changes will be completed in 2008, and other changes will require funding in the future.

During the 2007 season, a total of 17 million pounds of raw material was landed on the wharf in Old Perlican, as compared to three million pounds in 1999—an increase of 14 million pounds in only eight years.

Out of the 180 vessels that used Old Perlican as a home port or a landing port in 2007, 98 vessels were under 45 feet, as compared to 63 in 1992; 82 vessels ranged from 46 feet to 92 feet, as compared to 20 in 1999.

The three processing plants in Old Perlican currently employ approximately 675 to 700 people on a seasonal basis from all over Newfoundland and Labrador. I'd also like to state that in 2007 Quin-Sea Fisheries processed 24.7 million pounds of raw material. Also, I estimate that Quinlan Brothers Ltd., which uses pelagics—cod, herring, mackerel—processed another 10 million pounds, approximately. There was fish also trucked in.

It is important to realize that if funding were not available from small craft harbours to do these improvements to the Old Perlican harbour, the town of Old Perlican would be another community looking to the federal government for make-work projects, seeing a diminishing population instead of being the prosperous community it is today.

I'd also like to state that last year we had nine people move to Old Perlican for three to four months from Nipper's Harbour—to work. So it's soiree of P.E.I. There's a lot of work being created.

As well, infrastructure that has been done in Old Perlican stays in Old Perlican. It's not washed away; it wears out. I've never seen anything...and we've had storms, believe you me.

We have a list of fish buyers located at Old Perlican: Quinlan Brothers Ltd., Quin-Sea Fisheries Ltd., Ocean Choice International Inc., P. Janes and Sons Ltd., Independent Fish Harvesters Inc., Green Seafoods Ltd., and Woodman Sea Products.

We have a community listing for boats using Old Perlican as a landing port: the Northern Peninsula from Port Saunders to St. Anthony, the Baie Verte Peninsula from La Scie to Nipper's Harbour,

Fogo Island to Seldom, Catalina in the Bonavista peninsula, and the Avalon Peninsula from Dildo to Renew's.

Old Perlican is the harbour name, but in reality we're servicing half the island. This is all black on white. The documentation is with DFO. And Gary can attest to these numbers.

Thank you.

● (1555)

The Chair: Thank you, Dave.

Herb.

Mr. Herb Butt (Harbour Authority of Carbonear): My name is Herb Butt. I am a director with the Harbour Authority of Carbonear.

My interest in the authority was created, I believe, as a result of my father being a fisherman. I fished with him as a teen and developed a liking for the ocean while fishing. I enjoy the ocean today by kayaking out of many harbours around the island. Most of the harbours seem to be well funded, having been made safe and efficient with the construction of breakwaters, etc.

Otherwise, I became interested due to the feeling that it was not appropriate for fisherpersons to have to tie up their boats three abreast of each other in Carbonear. This is in contrast to some other harbours, where they have excess mooring spaces available for fishing boats due to federal government spending.

It was said—this comes from talking with the fishermen—that much of the infrastructure in need of repair was as a result of sea agitation. The public wharf was the fishermen's main concern, and they supported the newly formed harbour authority in having a breakwater constructed to prevent further erosion.

I was involved in the Carbonear Island development strategy in August 2004. It was a comprehensive study to provide strategic direction and a rational process to develop Carbonear Island as a national historic events site. The strategy did include the Carbonear waterfront and the public wharf as being very important in developing this tourism destination.

Now, knowing that a breakwater was common to two very important areas of development for Carbonear and the Carbonear area, my competitive side realized that Carbonear had as much and in some cases more to offer than other communities around the island that have received federal funding for breakwaters. Today, along with the other members of the harbour authority, we know that federal funding for a breakwater to create a safe and efficient harbour would be a very secure investment. The investment would be diverse, in that the breakwater would serve, most importantly, the fisherpersons and then tourism, along with recreational boat users, and it could also be somewhat of a centre for members of the general public.

The authority was incorporated in the year 2002, after fisherpersons and recreational boat owners had a meeting with the small craft harbours people and John Efford, the candidate for Bonavista—Trinity—Placentia, who supported the forming of a harbour authority. During this meeting, it was said by the small craft harbours people that:

It's the Harbour Authorities who are to assist in the planning and prioritization of maintenance and *future development* within the Harbour."

This comment supports our proposal. It is clear that federal funding for the Carbonear breakwater will help fulfill that development role of the harbour authority.

The harbour authority is made up of seven directors elected for a two-year term. We encourage that the directors be made up of mainly fisherpersons, then recreational boat owners, and finally, members of the general public. To involve more people, we are now moving towards adding to our membership at next month's annual meeting and election of directors.

The harbour authority has a good working relationship with the small craft harbours program in operating and maintaining the fishing premises. Since its start, the harbour authority has brought in town water and electricity to the wharf. The wharf has been partially paved, and a used oil containment system along with an oil spill boom and cleanup kit are on the premises.

We have leased from the small craft harbours program the public wharf—it was built prior to 1960, and it may require structural work on the east side—which is one of the few schooner wharves of its size, in excess of 40 feet by 300 feet, around the island. The wharf is frequented by many large vessels, including the coast guard, and it may have seen the royal yacht *Britannia* come all the way into the wharf had it not been for security reasons.

The size of the wharf made it possible and convenient to have local fabricated items for the oil industry taken away by barges, and now with the fishery involving larger boats, the wharf is becoming even more of a valued asset. Apart from the safety issues of now having boats tied up three abreast, the west side of the wharf offers secure moorage with little sea agitation, while the east side is not secure enough to be used most of the time.

We need a breakwater, as designed, mainly to prevent further erosion to the wharf, at the same time making the east side of the wharf safe and secure for mooring so as to eliminate congestion on the west side. The breakwater would also protect other infrastructure on the east side—which is very necessary to fisherpersons—such as additional boat mooring, boat storage, a slipway, a fish off-loading station, and a building containing storage, an ice room, a fish buying and selling area, an office, washrooms, and a kitchen. Based on the current design, the breakwater will extend beyond the wharf approximately 10%, thereby protecting, to some degree, infrastructure on the west side, including fishermen's wharves, the fabrication plant, other private developments, and Rorke Stores, a registered historic structure.

In early 2003, the authority's founding directors communicated to Mr. William Goulding, regional director of small craft harbours, the reasons, in detail, for the need for a breakwater. Minister Efford, who we worked with for only a short period of time due to the turning of the political tide, saw the small craft harbours program do a sounding survey. The survey was completed later in 2003 and determined the design, location, and cost of the breakwater.

Since 2006 we have had four meetings with our Avalon MP, Fabian Manning. All the meetings could be summed up fairly equitably by what was said by a news journalist as a result of our

October 2006 meeting, when the fisheries minister, Loyola Hearn, also attended. It was said that the proposal for a new breakwater did not receive any new money, but it did get a high-level endorsement.

Support for our proposal has been by way of letters from the town of Carbonear and nearby towns of Victoria, Salmon Cove, Perry's Cove, and Freshwater; the local fish plant and other shoreline property owners; Carbonear mayor Sam Slade and councillors; representatives of business, heritage, and tourism; and a petition signed by several hundred members of the general public.

Thank you.

● (1605)

The Chair: Thank you, Herb.

Mr. Parsons.

Mr. Warren Parsons (Harbour Authority of Harbour Grace): Good day. I'm Warren Parsons, chairman of the Harbour Authority of Harbour Grace.

I wasn't quite prepared for this, because I was gone out of the province for a few days with some personal matters. I got back on Friday and I got a fast call to attend this. I appreciate that, and thank you very much.

Harbour Grace has a long-standing history in the fishery. We at one time had a fish plant there. It was built back in the war years, back in the 1940s. It stood there and employed an awful lot of people, in fact 600 or 700 people, and probably more at times, right up until 1992, with the collapse of the cod fishery. At that time that just fell by the wayside and was torn down. Since then there has been a shrimp plant built there for off-loading vessels. Last year, for that shrimp plant, there was in excess of 100 million pounds of shrimp landed at that facility.

In those times we had all these small communities. I come from a small community. I don't belong right to Harbour Grace; I belong to Bryants Cove, 350 people. We had our own wharf. I am a fisherman myself. But due to storm damage back in the 1980s the wharf started to deteriorate, and finally in the late 1980s it was gone. We tried to seek funding, but we were unsuccessful. We were told by small craft harbours directorate that it would all be consolidated into a larger port and we would have better facilities than what we had at home.

In that case, the people of the day started...There was a spot on the south side of Harbour Grace, which was really a pond. That's all it was. People used to run their fishing boats in there years ago to get away from storms. What they called fishing boats then was a trap skiff. At that time we started to get money from ACOA, and small craft harbours directorate gave us some money. We finally developed it into what is called Admiral's Marina now. At that time, when it started to get going well, we had 33 fishing boats at that place. We had zero pleasure craft and ten transient vessels that used to travel to Harbour Grace. Right now, in 2008, we have 50 fishing vessels, 45 pleasure craft, and there are at least 50 transient vessels that will travel through, off-loading their product and seeking safe shelter in our harbour.

When they started the crab fishery back in 1988 and all these small boats of years ago of 20 feet or 22 feet started to get into crab in 1996, they went up to 38 feet or 40 feet. Since that the government has changed some rules.

Right now, the smaller vessels on the inner bays are allowed to go to 40 feet. The vessels offshore and outside are allowed to go 90 feet, which puts an awful strain on us fellows, as chairmen of harbour authorities, to try to keep up with accommodating those vessels. The sizes have not just doubled; in some cases the size is ten times what it was. A few years ago, or even back last year, you could take a 22-foot vessel and tie it to a floating dock, but those people now are moving into vessels up to 40 feet, and floating docks do not accommodate those vessels anymore. So right now we're caught on a limb trying to get wharf space. You need wharf space for those vessels.

Right now in Harbour Grace we have seven companies that buy fish over the wharf, and they employ approximately six or seven people each during the summer months, plus graders and monitors. Our landings at our fishing facility last year totalled approximately eight million pounds of product. We accommodate right now at our facility in Harbour Grace vessels right from Spaniard's Bay through to Lower Island Cove.

When I took over this harbour authority—I became chairman here four years ago—we saw the need for more wharf space. Everything was maxed out. We were starting to get maxed out with what we had. It was getting filled up. I met with the former minister in the other administration, Mr. John Efford, and he agreed with us, that we definitely needed something. So we sat down with him and we said we needed to build another boat basin to accommodate the larger vessels west of the Admiral's Marina. Mr. Efford gave his commitment for funding, so we started off and we got the first phase done, but there's still an awful lot of work that needs to be done with that facility.

I understand it's not all going to be done in one year, but we certainly need four or five years to get it done. We certainly need someone from the government and someone from small craft harbours directorate to sit down and say, "This is our plan right here", and we certainly need someone to say, "You will get funding for that plan, so much a year". We know every year that we're going to be building and increasing our wharf space and accommodation for our vessels.

Right now we've got one part of that wharf in. We've got 140 feet, I think, plus 60 feet American. Really, when you look at 140 feet, well, you can get two boats abreast. You've got approximately enough room, if the vessels are not 90 feet, to get eight vessels at the wharf. But if they start coming in with 90-foot vessels things are going to change an awful lot in this fishery. There will be people with those vessels, and we definitely need more money to do this with.

That is my biggest concern right now. Small craft harbours directorate seem to be giving us a little bit here and a little bit there, something to try to keep us happy. But I think if you take a project on, you should turn around and make a commitment to that harbour authority: we will take this on and finish it with a plan. No one is asking for one year upfront, all the money, but certainly there is a need to sit down and say, "You will get what you want if it's approved", and do it in four or five years, and you'd have a guarantee that there would be so much work done every year. At least you'd know what you're going to do in the year coming.

Thank you.

• (1610)

The Chair: Thank you, Mr. Parsons.

Mr. Pat Curran.

Judge Pat Curran (Executive Director, Irish Loop Development Board): Thank you, Mr. Chairman.

Good afternoon, ladies and gentlemen. On behalf of the Irish Loop Development Board, I'd like to welcome you to Newfoundland and Labrador, and particularly the Avalon region. We wish you the best of luck in your deliberations and I hope you enjoy your stay in the province.

Just to put my region in some context, it begins in Bay Bulls on the southern shore, and you just heard from the mayor of Bay Bulls and the chair of the local harbour authority there, and runs down along the southern shore and over through St. Mary's Bay and carries in as far as Riverhead, both of them with bookends that are DFO harbour infrastructure facilities, and a number of other facilities in between. We have a population of about 8,000 people in the region. We have five crab plants and two other groundfish operations.

My purpose today, really, is to impress upon all committee members the significance of the Government of Canada's investment in marine infrastructure to the coastal people of our province. I speak today from the perspective of an economic development agency, but I also serve as a municipal councillor in the town of Witless Bay, which is a traditional fishing community with a crab plant, and we also have a DFO facility there.

The development organization I represent is one of 20 regional economic development boards in the province. Our objective is to foster economic development in our region. I can say that in my own region, the Irish Loop, much of our future growth remains dependent upon the fishery and the sea, and I appreciate the opportunity to present our unique perspective to this group today.

When I was young and growing up in Fermeuse on the southern shore, I could look out my front window at a fish plant that had a government wharf attached and I could look out my back window and there was another facility there as well. My mother wouldn't allow me on the wharf in the back because there was always a concern that you might fall over and not be recovered.

Suffice it to say that the fishery then was much different from what it is today. The focus was on cod. Operations were family based, and as you've already heard, they were generally run out of smaller vessels. More often than not, those enterprises used their own facilities for berthage, at least, if not for off-loading. There was a time when fishing stages and such premises lined the coastline in our communities. That isn't the case today.

When it came time to off-load, these vessels would generally come alongside the wharf, more often than not owned by the plant owner. As I said, today's fishery is quite different. It's conducted from larger vessels that require larger berths and deeper water, meaning these traditional family-owned facilities are no longer adequate. Many of them have gone into decline.

The point I wish to make is that the effect of the moratorium in 1992, rather than diminishing the need for investment in harbour infrastructure, has instead increased the demand on DFO facilities. Larger vessels mean larger facilities are needed to off-load and to tie up in safety.

We prepared the region's first strategic plan back in 1998, and we emphasized an investment in fisheries infrastructure within that plan. We have continued our partnership with industry over the years—we maintain a seat for harvesters on our board—and we have created an inshore fisheries network to continue to provide a forum for harvesters in our region's strategic economic plan.

I relate the investments made in fishing infrastructure to any other investment in infrastructure made by the federal or provincial governments. For our harvesters and our processors in my area, the government wharf is akin to the Trans-Canada Highway or Pearson airport; it is a critical piece in the transportation and production chain, and it's a good investment. Increasingly, these investments are made in partnership with local communities through local harbour authorities, where government and community stakeholders come together to provide leadership and support in meeting local fisheries development and, by implication, regional economic development needs.

Speaking from the perspective of someone involved in economic and community development, this represents a very unique partnership and a model of cooperation between the Government of Canada and rural communities. I would be remiss if I didn't take an opportunity to mention the good work that is being done by your officials out there in the field, people such as Bill Goulding and Gary Sooley. I concur with some of the remarks that were made before the break. In my experience, at least, when you call these people, they are there, and they maintain excellent relationships with the community groups and organizations they work with.

In my region today there are over 20 facilities managed by various local harbour authorities. They continue to serve many vessels, and they offer a prospect for a more sustainable future for our

communities. There is a trend, although it's not the primary focus; these facilities are increasingly important in relation to broader economic development. We do see an emerging pleasure and recreational boating sector that provides an additional range of users, which leads to new sources of revenue for local harbour authorities. Based on a recent assessment presently being concluded by my board, I expect this trend to continue into the future.

DFO's support for harbour infrastructure represents a unique relationship with the coastal people of this country, and the support provided in partnership with local harbour authorities and users is a very tangible expression of the continued significance and importance of the Government of Canada in meeting the needs of rural Canadians. Continued investment in harbour and fisheries infrastructure is needed now more than ever as the fishery in our province continues its transition into a more modern industry with an emphasis on larger vessels and enhanced quality.

On behalf of my board and the fishing interests we represent, it is my hope that these remarks and the discussion we have afterwards will contribute to a greater understanding of the importance of this program so that together we may ensure that this valuable investment is continued into the future and perhaps enhanced so that we can meet the long-term needs of this very valuable industry in Newfoundland and Labrador.

Thank you very much.

•(1615)

The Chair: Thank you, Pat, and thank you to all our witnesses.

The process, so that our witnesses understand now, is that we allow a certain period of time for each of the parties to ask questions. We start off with the Liberal Party for 10 minutes, the Bloc for seven, the NDP for five, and the Conservatives for 10, and then if we need a second round, we allow five minutes each. Basically we try to keep to the time as much as we can. We have 10 minutes now, and I believe Mr. Simms is going to begin the questions.

Mr. Simms.

Mr. Scott Simms: Thank you, Mr. Chair, and thank you, guests. Thank you, to some of you, for the tours that we had today. They were certainly informative. As Mr. Matthews pointed out, they showed various stages of progress and what has been successful and not so successful.

I want to start with you, Mr. Parsons, because you said—and did I get this right?—you have 50 fishing vessels registered and 45 pleasure craft as regulars. Is that correct?

•(1620)

Mr. Warren Parsons: Yes, that's right.

Mr. Scott Simms: What kind of revenue do you get from the pleasure craft? Just describe the relationship between the two, because sometimes in regards to funding, one agency.... In my riding ACOA has made an investment in the pleasure craft infrastructure such as at Lewisporte. But at the same time you have small craft harbours. Can you talk about the relationship between the two as far as funding is concerned and the revenue that you generate from these two types? Anybody else is free to jump in afterwards.

Mr. Curran, perhaps I could get you to comment on that as well from an economic development perspective regarding pleasure craft—because I see some of the pictures here with yachts coming in and that sort of thing—and juxtapose that with the fishing industry.

Mr. Warren Parsons: A few years ago when they built Admiral's Marina—that's the facility we have on the south side of Harbour Grace—there were very few pleasure craft around then, and they were basically speed boats or something that people owned, which were tied to the side of their own wharf on their own property. So when we built this here, I guess it was built through ACOA money—plus small craft harbours got some. But the fishermen were the backbone of it all.

We saw the need to get everybody involved to try to find funding to run this after it was constructed. Our fee structure is pretty simple. We treat everybody alike in one way when it comes to the fee structure. We charge by the length of the vessel that you own. We charge \$15 per foot to the end of the vessel. So if you have a 20-foot vessel at the wharf, you would pay \$300. If you had a 50-foot vessel, you'd pay \$750, and so on. The fishermen do the same thing. They pay by the same structure as that.

The only difference with fishermen is that if they land their product back at our facility we will give them half a cent a pound back, up to a maximum of \$500, let's say. They are subsidizing their amount down, whereas the owner of the pleasure craft will pay his full fee. He gets no subsidy at all. The fishermen do get a break on the fee structures, and they can come down to about \$220 plus GST and HST. So that gives them a break.

Have I answered the question?

Mr. Scott Simms: The fee structure is fine. I am wondering in general, with the revenue from both, how you are making out.

Mr. Warren Parsons: We make enough here at the harbour authority to pay for the employee we have there. We employ her from now until after the fishing season is over, weekly, full-time up until the last of September. We generate enough funds to cover all of our overhead, plus also we put a good bit of money back into the little jobs that need to be done around the wharf so that we don't have to call on small craft harbours all the time for a little bit of money for everything. We take that out of our funds, and overall we have to keep up the regular maintenance too.

Mr. Scott Simms: Mr. Curran, can I get your comments on this?

• (1625)

Judge Pat Curran: As I think my remarks suggested, we're seeing a trend in relation to the significance of the recreational and pleasure boater to the potential sustainability of these harbour authorities. I think this is a trend you've seen. It's out there. I couldn't give you the revenue percentage, on a harbour authority by harbour authority basis, that comes from recreational pleasure craft, but I suspect it would be an interesting number to have, if we don't already have it.

Mr. Scott Simms: Are you getting more interest? Do you see a substantial increase?

Judge Pat Curran: We are in the process of completing an assessment in our region to analyze the potential of positioning port facilities in our region to intercept some of the transatlantic pleasure craft, the yachting traffic. The preliminary market research we've

seen suggests that, particularly on the eastern seaboard of the United States, there is an emerging concern with respect to insurance and overwintering of these sorts of vessels, to the point that insurers are refusing to carry vessels that are overwintering. The choices, really, are to take them to the Caribbean or alternatively to take them north. We've taken a look at that, and we believe there's a little niche market there for facilities in our region.

Now, when we're looking at marine facilities in our region, what are we looking at? We're looking at DFO facilities for the most part, unless you're talking about a privately owned wharf. I guess the concern I have with it is that there is an implication there, a positive implication and a negative one as well, I think.

If there's a revenue stream to be generated from it, I think that in turn can lead to more sustainable harbour authorities, giving them enough to maintain their operations and perhaps even build up a little bit of capital that they might in turn invest in some other developments. The downside of that, of course, is that you have to address the requirements of your primary users. As far as I know, those are—

Mr. Scott Simms: Can I break in there for one second, Mr. Curran? I apologize, but I want to get to something else here.

On the issue of sustainability, you're saying that you have 45 boats, almost as many recreational boats as you do commercial boats. Yes, they are the primary users, and I understand that, but there seems to be something here that will aid you in coming up with the revenues that you're expected to cover off for some of these major costs, to the benefit of the primary users.

My question then is, how do you think the primary users would feel if they were to make accommodations, I guess, for recreational users on a larger scale?

I open that up to both of you.

Mr. Dave Johnson: I can step in on that one.

In Old Perlican we have an ad hoc committee that is currently pursuing developing our marina. We've had yachts down through the years always coming in. I estimate we've had probably 25 or 30 yachts. We've had them from down in the States, from everywhere. The major problem we've had is that because we don't have the room, they get entangled with the fishing boats. If you come in with your yacht and at two o'clock in the morning I come down to start up the engine because I'm going out, you don't want to hear that.

So this is why we are preparing an area that is going to be for the yachts. We've had requests from Holyrood, naturally, because we're in a position where, if you want to cross... Let's say you leave Holyrood and are coming around and up to Trinity Bay. Well, if the wind comes down sou'west, you're not going to cross Trinity Bay; it would be very uncomfortable.

This is the other point: they want to be able to go to Old Perlican, where we have the marine service centre. John Efford every year comes there. He hauls up his boat and cleans the bottom and that.

That's what we're doing now. As you said, it will entertain more boats. We're thinking Americans, Europeans—who knows, right? But we have to have an area where they can have their own spot.

Mr. Scott Simms: So you need that degree of segregation, then, for everybody to be happy.

•(1630)

Mr. Dave Johnson: Well, no one in a yacht is going to come handy.... You don't want that. You're on your holidays, right?

Mr. Scott Simms: Right.

The Chair: One minute.

Mr. Scott Simms: I have only one minute?

The Chair: You have 57 seconds now.

Does anybody else want to comment on that one?

Mr. Parsons.

Mr. Warren Parsons: I don't know. I've found that the pleasure craft that have travelled to our area from outside and have come in and mixed with the fishing boats were amazed. They love to mix with the fishermen and ask them questions, see what they're doing and get some knowledge of what we're doing.

Mr. Scott Simms: I've heard that before. But what about the other way around?

Mr. Warren Parsons: Well, in our area the fishermen have no problem mixing with them. We appreciate them.

A lot of the source of our funding is there too. We have 35 boats that are paying top dollar to tie up. It's really helping us. If we didn't have those boats in our facility right now, in the Admiral's Marina, we would have to be going after Gary back there for money to help us to run this harbour authority. But we are in the black as far as our expenses are concerned.

Mr. Dave Johnson: We have no problem interacting with the fishermen or the yachts. But the problem is, as I just said, if I'm tied up here and you come in and tie up alongside me, at one o'clock, when I'm going, that's it, I'm going. That's the problem. They want their own area.

The Chair: Monsieur Lévesque.

[Translation]

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

Most of you are asking for breakwaters to be installed. Many times during the course of our hearings, witnesses have stated that dredging had to be done around the small craft harbours. I wonder if a study has been conducted on this.

I'm going to ask you several questions in succession since my time is limited. You can make note of them and answer afterwards.

I don't know if you're also obliged to dredge around the wharf. If this is the case, won't installing breakwaters just postpone the problem?

In fact, in light of the depletion of the cod stocks, are you going to have to resort more to recreational boats in order to justify your presence and continue providing services to your fishermen?

With respect to the fees levied on recreational boats, is there competition between your ports or is there an agreement under

which the same price is charged everywhere? This way, there's no competition, and you can draw more income from recreational boats.

Mr. Curran talked about insurance companies that refuse to ensure recreational boat owners or fishing boat owners that put away their boats for the winter. Since you are aware of why they hold this position, do you know if you would be able to change this opinion held by insurance companies; in other words, could you provide them with an incentive to insure boats that are berthed during the winter?

I, for one, represent the Arctic coast and your concerns interest me greatly. Sometimes I say jokingly that I am the future. On the northern shore of the Arctic coast, we see things progressing. We are soon going to be grappling with the same problems that you have and it is going to be interesting to see how you resolve them. You will be our model.

[English]

The Chair: Who wants to try to answer?

Pat.

Judge Pat Curran: I'll speak to the last question.

It may be too preliminary for us to know just exactly what the details of the advantage of bringing these vessels to our region potentially might be. It might be just a little too early. I've seen a copy of the draft report to see what the competitive advantage of our region might be. It isn't finalized, so I don't know that I can answer your question on insurance and what that might represent for us.

Mr. Dave Johnson: I can touch on the dredging part and the breakwater. Old Perlican had its first breakwater in the mid-1960s. The problem we had was that we never had the deep water. As the fishing boats got bigger and needed more draft, we needed more water to come in. We had our first phase of dredging out the channel to make it deeper two years ago. We had divers out last year. There's no infilling, so it's all copacetic. Everything is going well. We're presently at the second phase. It's only been a couple of years, but really there's no infilling. The first breakwater has been there since 1965. An older gentleman I've been talking to says it looks the same to him as it did back then. Nothing more has filled in inside there. It's just that it wasn't deep enough in the beginning for the bigger boats of the present time.

Mr. Warren Parsons: I will try to answer. I don't know if I'll do right on this, but I'll try.

There was something about first priorities at the wharves. There is an understanding between pleasure craft and fishing boats in our harbour authority that the fishing boats are the ones that get the first priority. Fishermen always come first if they're using the facilities, off-loading the produce, or getting wharf space. If any wharf space is available after the fishermen have been accommodated, then pleasure craft will be accommodated at those facilities.

•(1635)

The Chair: Go ahead, Mr. Butt.

Mr. Herb Butt: It is just the same thing in Carbonear. As I said in my presentation, it's fishermen first and recreational boats second. As far as dredging is concerned, we never had to do any in Carbonear. It's fairly deep and satisfactory.

Judge Pat Curran: Regarding the question on competition among ports, and perhaps your question on the emerging need for recreational users following the cod moratorium, I think it would be important to note that the development of harbour authorities virtually coincided, I suppose in many cases, with the codfish moratorium, so it was happening at around the same time. I had an opportunity to work for the former member of Parliament in St. John's East in the late 1980s and early 1990s. I can remember being in Portugal Cove with people like Adrian Hynes and others at DFO, trying to convince those users at that facility of the merits of a harbour authority. At the time, they were quite skeptical, but I judge the whole process as having been more successful than you'd think.

But in terms of the competition to service these facilities, I'd like to think that if we believe that a market exists, we will accommodate the needs of the market. I would be inclined to think that there will be other attributes, beyond simply price and availability of facilities, that will determine where these vessels go. Part of our assessment has been to take a look at the other infrastructure that's in place within those communities in terms of services, facilities, and so on. I think that may ultimately determine where some of these vessels go, and hopefully avoid situations in which we have our various ports competing in some sort of race to the bottom on price. It's quite obvious that when you take a look at the ports in my region, there are some ports that have more services and facilities that would be of interest to this type of boater than others do. I think they'll find that they'll end up there.

The Chair: Thank you, Mr. Curran.

Thank you, Mr. Lévesque.

Mr. Stoffer.

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

Thank you, gentlemen, for your presentation. How many port authorities are there in the Irish Loop area? Or perhaps I could extend it to the Avalon Peninsula. How many groups are there?

• (1640)

The Chair: There are 68 in the riding of Avalon.

Mr. Peter Stoffer: Okay.

Do these port authorities get together once every three months or every six months to talk about issues that affect all of you?

Mr. Dave Johnson: No. We have our annual general meeting, or a conference, every year in Gander. That's about the only time.

We're volunteers. We're working; we're fishing. But there's no doubt about it, you are talking with everyone in Old Perlican, Bay de Verde, and the other areas, the other communities—our area and Bay de Verde are the two main areas. They're doing their thing and we're doing our thing. We've all got a broad picture of what we want, what we need, and it's pretty simple when it comes to that.

We had an engineer do a study for us back in 1999. He went around and talked to fishermen, plant workers, and plant owners and got their perspective. We put it all in the hat and discussed it, and we had a five-year plan. There's also been discussion with Gary Sooley, there's the help of the engineers and what have you, and that's the way we do it. But basically, from my perspective, you're doing your own thing.

Mr. Peter Stoffer: Coming from Nova Scotia, I can appreciate the volunteerism of it all. I appreciate the fact that when harbour authorities started out, like with airport authorities, there was a lot of caution and people putting their backs against the wall about this. Now we have found, throughout the years, that it's actually been quite successful.

One of the concerns I see...and just help me out if this is happening. We were in Carbonear this morning and the gentleman talked to us about a new breakwater. We were in Port de Grave and we talked about new docking facilities. We'll be in other areas where they will talk about dredging. All of this costs money. In many ways, if you have 68 authorities, you have 68 requests, and in some cases you may have two or three requests per harbour. So for someone like Gary, who advises the minister or advises MPs, or whoever, eventually you're going to have to make a choice of who gets what.

The reason I ask the question, do you get together... Does anyone ever say, "Okay, Carbonear, we'll push for you guys for this year and maybe you can help us push next year for ours"? I'm not trying to downplay the importance of what you require for your particular authority, because you're right, they're like highways in Ontario and they're like anything else: they're very important to your businesses. But I can see that with all these requests going in individually, it would be quite difficult for DFO to make a decision based on funding criteria.

So do you get together in that regard to help each other out? You certainly don't want to be at each other's throats. I know you get along here quite well.

Mr. Dave Johnson: We're trying to get the biggest slice of pie, no matter what. That's the bottom line with it. We look at it, we go to our meeting, and we say we need this. If Carbonear wants a breakwater, that's fine, we've got nothing against that, but we're telling Gary, "Look, Gary, we've got the landings, we've got the boats, and we want it."

Mr. Peter Stoffer: I noticed the camaraderie among the first group that were here, and now this group as well. I'm sure Gary is hearing it all. Who decides who gets what? That's a challenge, because you don't want it to be a political decision; you want it to be based on sound economics and on the viability of that particular harbour and its authority. So it would be very challenging.

Pat, you represent them all. What do you do?

Judge Pat Curran: What do you do? I guess I can bring the political perspective too, because I did that in a past life and dealt with harbour authorities and so on.

Let's be frank. I did a quick count, and I think in an ideal world I could perhaps bring the 12 harbour authorities that I think are in existence in my region around the table and say, okay, from a purely economic development perspective here, we're going to prioritize and we're going to do a five- to seven-year business plan around what our port facilities are. That's going to mean some of you are going to be very happy and others of you are going to be very sad. In the process of doing that, we would be laughed out of the room, of course, and our credibility as a regional economic development board would be shot and we would have essentially walked away from a very important constituency. So sometimes it's nice to be able to hand that one off to someone else to deal with.

Priority setting around fisheries infrastructure is nothing, I believe, that our board would attempt to position itself around. I say that completely honestly. There perhaps is a role for an organization such as ours to support our harbour authorities in terms of some long-range planning and perhaps facilitating some local business planning, but I don't think we'd touch that one with a ten-foot pole, to be completely honest.

• (1645)

The Vice-Chair (Mr. Bill Matthews): Thank you very much, Mr. Curran.

We're now going to Mr. Kamp, one of our colleagues from British Columbia. If you don't know, he's the Parliamentary Secretary to the Minister of Fisheries and Oceans as well.

Mr. Kamp.

Mr. Randy Kamp: Thank you, Mr. Chair.

Thank you, gentlemen, for coming.

Just before the session started I was chatting briefly with Mr. Johnson and we were talking about Mr. Calkins' question in the previous session, that long-range question about what you think things might look like in 30 years. Mr. Johnson, you had some sort of answer to that, and perhaps others of you do as well, so why don't you tell us what that is?

Mr. Dave Johnson: Everyone does. If you don't, you shouldn't be here. You should have something in your mind, or why are you doing this?

Thirty years from now you're going to see fewer fish plants. They're going to be super-sized fish plants. You're going to see landing ports.... You're going to be told where to land, not because of your preference. That's my opinion.

Economically, there is not enough money for the government to please everyone. In my opinion, you'll see an eastern and northern—you won't see a central, I guess—southern and western. That's what's going to happen, in my opinion.

There's another thing we have to look at. I was in for the last hour of the other meeting. I don't know if it was mentioned before, but I hope we don't lose perspective with all this. We're caught up in this oil bit. Oil is great, but where is oil going to be 30 years from now? Hibernia—there's going to be a plug in that, right? We have a renewable resource worth a billion dollars, and a billion dollars is a lot of money, so let's look after it.

We have our elected officials. Mr. Manning has done great things, and we appreciate it, but someone has to take the wisdom. You're elected to do this stuff, along with our input, so you have to look at it. You should be telling us what there is going to be 30 years down the road, and naturally get our opinion, and here it is. As Pat just said, who is going to stand up and say it? Are you going to say "Old Perlican, sorry, we can't put any more money into your community, you have to go to Carbonear"?

It's going to happen. Right now the biggest boat you can have is 90 feet, and if she has a full-time licence of 300,000 right now, that's 600,000. That's probably going to be 1.2 million with refrigerated holds like you see. Where that boat goes to tie up, it doesn't care. All they are concerned about is getting that hold filled, getting into port, and getting the cash. We all know what the world is about, right? The world is about money and sex, so that's it.

Mr. Randy Kamp: That's on the record, Mr. Johnson.

The Chair: Mr. Kamp brings out those questions.

A voice: He forgot about beer.

Mr. Randy Kamp: If anyone else wants to chime in on that one, that's fine. Otherwise I'll move to a slightly different topic.

Mr. Herb Butt: It's all according to what our politicians are going to do, I suppose, with foreign overfishing. I like to be positive about it. Maybe you'll have to ask harbour authorities, but there should be more fish if we get it right. I think we're heading that way.

Mr. Randy Kamp: Okay. So you see a vibrant fishing industry in 30 years, and harbour authorities would support that.

Mr. Herb Butt: There should be, if there is a way of doing it. You have to have the will.

Mr. Randy Kamp: I'm going to defer to my colleague Mr. Calkins in a moment, but before I do that, can you give me some real numbers of what your budgets are in your harbour authorities, what your revenue is for the year and maybe kind of a general breakdown of how that is spent?

Mr. Dave Johnson: I'm not quite sure. I believe we take a quarter of a cent per pound over the wharf.

• (1650)

Mr. Randy Kamp: In real numbers, what is your annual budget?

Mr. Dave Johnson: We don't have any budget as such. We have a harbour supervisor, and for whatever is landed at the wharf we get what is called an off-loading fee.

Mr. Randy Kamp: What are your annual revenues?

Mr. Dave Johnson: Last year, I don't know, it might have been \$75,000.

Mr. Randy Kamp: Does anybody else have real numbers?

Mr. Warren Parsons: I wouldn't be able to give you real numbers on that. I can go back to the person in the office and get them.

Mr. Randy Kamp: Right. They'd have to give me that.

Mr. Herb Butt: I can give you something, not in fish landings but in boats. In Carbonear we went from 8 to 14. That is our forecast for 2008. That will be boats landing at our site. There were 8 in 2006 and there will be 14 in 2008. That's not a money value, but it's a big percentage increase in boats; therefore, that would relate to the landings.

Mr. Randy Kamp: Thank you.

The Chair: Mr. Calkins.

Mr. Blaine Calkins: Thank you, Mr. Chair.

I certainly appreciate our witnesses coming here today, and it is certainly a pleasure for me to be here in Newfoundland.

I have some questions. I want to iron this out, because clearly I'm missing something. In the last round of testimony we heard several witnesses; some of you who were here would have heard them say that they were keeping their berthage rates low in an effort to become competitive, because boats could go somewhere else and tie up. Yet in the testimony here I heard that wharf space is at a premium and we don't have enough room to tie up boats. On one hand, berthage is low because there is lots of competition, and on the other hand, we don't have enough harbour space for boats, recreational, commercial, or otherwise.

The Alberta sense that I have tells me that those two don't add up. So I'm wondering if there is something I'm missing that any of you would care to fill in for me. When I look at it, I pay upwards of \$30 a night to park my 24-foot holiday trailer in a campground, and I see a \$2 million boat sitting at the harbour paying a berthage fee of \$400 a year.

I'm having some mathematical difficulties here, so could you guys help me with that?

Mr. Dave Johnson: You're missing it. You have a berthage fee of \$400. You're not considering that the off-loading fee that is paid from the plant processor to the harbour authority is negotiated in the price that's paid for crab, fish, pelagics down the road.

Mr. Blaine Calkins: How much is that worth, Mr. Johnson?

Mr. Dave Johnson: I think it is a quarter of a cent or half a cent. I think St. John's charges half a cent per pound, so they get a half cent for every pound of fish that's landed. If they have 10 million pounds—my math is not that good, but what is that? Is it \$100,000? If you have a 65-footer—as you said, a \$2 million boat—and you have 300,000 pounds of crab to catch and half a million pounds of shrimp to catch, that's 800,000 times five cents. That's \$4,000. That is \$4,000 that is coming out of that boat for off-loading fees, which has been taken into account for a negotiated price.

Mr. Blaine Calkins: So that has to be added onto the berthage to get a more accurate—

Mr. Dave Johnson: No, it's not on it.

Mr. Blaine Calkins: I understand that, but you take that and you add it onto a berthage fee. That's money that's paid to the harbour authorities for off-loading, so that is your revenue stream. It's not just the berthage; it's also the off-loading.

Mr. Dave Johnson: The berthage fee wouldn't cut it. It would have to be too astronomical—

Mr. Blaine Calkins: I agree with you. That's why I asked the question. You have to take into consideration not only the berthage fee but also the off-loading.

Mr. Dave Johnson: Yes.

Mr. Blaine Calkins: Do I have that clear, then?

• (1655)

Mr. Dave Johnson: Yes.

Mr. Blaine Calkins: And that's what gives you your \$70,000 or so. But the majority of that wouldn't be a berthage fee.

Mr. Dave Johnson: I'm a small boat fisherman—don't look just at the \$2 million boat, there are more like me—and I have 13,500 pounds of crab to catch. Do the math on it. Let's say it's at \$2 a pound. That's \$27,000. My berthage fee is \$100, plus HST. I just picked up my licence for crab, for groundfish, for this, that, and the other, and it's \$621. Now I have to go and get my Seawatch. That's another \$165. Then there's the percentage of...

So when you look at all of this—

Mr. Blaine Calkins: The costs are significant.

Mr. Dave Johnson: Exactly.

Mr. Blaine Calkins: That's what keeps the berthage as low as possible.

Mr. Dave Johnson: When Old Perlican first formed the harbour authority, they came out and said, okay, we're going to charge the non-fishermen, we'll say, double. Well, I tell you, she never went to blows so hardly. Here's the fellow next to me going out to catch a few cod, and I'm paying...but you see, they don't understand that I'm paying an off-loading fee.

So that had to be scrapped right away or you wouldn't have gotten out through the door, it was that bad. It's been tried, right?

The Chair: Thank you, Mr. Johnson.

I'm going to allow two minutes per party for any questions you may want to ask. You decide how you're going to do that. We're almost up to the time, but we'll allow one round each of two minutes.

Mr. Matthews.

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

The question I was going to ask has pretty much been answered, I think, by Mr. Johnson in response to Mr. Calkins. I took notice that Mr. Parsons talked here—you did at your facility this morning as well—about keeping it low, almost in exchange for the unloading fees.

I guess we've confirmed that basically your revenue comes from the half cent or quarter cent a pound. You'd rather keep your berthing fee down so that the vessel unloads and you get the unloading fee. I think we've sort of established that as a result of Mr. Calkins' conversation with Mr. Johnson.

That was my understanding, and I just wanted you to confirm it, but I think that's been done.

Mr. Warren Parsons: Yes, we try to keep it down a bit. A fisherman will sometimes take his boat and go and fish out of St. John's, let's say. Well, we can't let that person have his boat tied on for \$200 a year. If he has a 50-foot boat, he's paying \$750 to \$800 to us. If he decides to go to St. John's to off-load, well, he's going to have to pay \$800 for his berthage fee.

The other fishermen, like me.... You see, I'm a fisherman, and if I land at my facility, I'll only pay \$200 out of my pocket, but the company will probably end up paying \$1,000 toward the harbour authority for me. This is how I generate my funds to the harbour authority.

Mr. Bill Matthews: Thank you very much. I thought that was the answer.

The Chair: Thank you.

Mr. Blais, one quick question.

[*Translation*]

Mr. Raynald Blais: Thank you very much.

You are aware of the negotiations concerning fishing subsidies and subsidies granted by the Department of Fisheries and Oceans to wharf infrastructures? These subsidies have been challenged. During preliminary negotiations, the United States and New Zealand, among other countries, are saying that Canada and other countries should cease subsidizing wharf infrastructures for fishermen.

In addition to the financial problems we are grappling with, there is that sword of Damocles that is hanging over our heads.

[*English*]

Mr. Warren Parsons: Does anybody have any idea, on this committee here, of the millions of dollars that fishermen pay to the federal government for our licence fees in a year? I mean, we have boats out there, longliners, paying up to \$5,000 or \$6,000 a year to the federal government for licence fees. So really, for everybody it's all pay, pay.

When you say "subsidies", do you mean the federal government should not be building wharves but that the fishermen themselves should be building the wharf infrastructures?

• (1700)

[*Translation*]

Mr. Raynald Blais: Allow me to elaborate. The WTO, the World Trade Organization, is currently holding negotiations on fishing subsidies. These negotiations reveal that certain countries want to prohibit certain types of subsidies. Among the subsidies that would be forbidden are those granted to wharves that are used exclusively for fishing.

[*English*]

Mr. Dave Johnson: I'll ask you now. I have 13,500 pounds of crab to catch. I had 2,285 pounds of crab last year. It went down from the year before. There were more fish last year than there were the year before. What am I going to pay to build a wharf? The money is not there.

It's a renewable resource. Your country is made up of the resources that you have. It's a resource, so let's look after it. We're creating money, the spinoff.

In Old Perlican, there's an estimated two million to three million litres of diesel fuel for the boats. Those taxes are going to the federal government. That's a lot of fuel when we had 180 boats.

You talk about creating revenue. What about all this fish that gets trucked in? Bay de Verde had their redfish landed in Bay de Verde, and it was only ten miles away to truck it to Old Perlican. We were looking to see if we could get a cash cow there, but it never happened. You couldn't do it.

In my opinion, we're giving. The fishery is giving back to the federal government in leaps and bounds. Now, some in Alberta might disagree. But it's a renewable resource that is there. It's going to be there. Look after it.

If you're looking at the bigger boats, we're not all in that luxury area. There are more smaller ones than there are bigger ones, I can tell you that.

The Chair: Thank you, Mr. Johnson.

Mr. Stoffer.

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

Mr. Blais, we saw the report. It also includes unemployment insurance concerns, any wharf infrastructure.... Basically, anything that aids and abets from the federal government to fishermen and their communities could be construed as a subsidy. These are what the ongoing talks are about right now.

Of course we have addressed those to Minister Hearn and Minister Sullivan, the ambassador for fisheries, and they will be raising those concerns overseas.

Again, we only saw a draft report. There was nothing in concrete, as we say. So we'll be keeping a very close eye on that, but I would ask that you also keep a close eye on it.

Mr. Johnson, you had talked about the future of the fishery. I see it sort of the way you see it as well, except for one thing. Is there not a fear that eventually the raw resources we have off the coast here in Newfoundland can now be just transferred off to bigger freighters and ships somewhere else?

In central Canada, for example, whitefish is sent to China for processing and sold back to the stores. At the Safeway stores, it says "Product of Canada. Made in China." My fear is that a lot of this raw resource we have will be sent out to the cheapest place to get it processed. So why land it here? Why not land it immediately on the bigger boats, the freighters that can be 200 miles off the coast, and send it right to China or wherever? That's my great fear.

Sir, you're absolutely correct: it's a renewable resource. Done right, it could hire your great-great-grandchildren in the future.

So thank you.

Mr. Dave Johnson: You mentioned unemployment. I don't know if I'm reading you right, but you're talking about getting rid of the EI, right?

Mr. Peter Stoffer: No. The WTO round, the Doha Round, could consider.... They may consider unemployment insurance benefits for fishermen as a subsidy. The reason for it is that they argue the fact that there are billions of dollars going to the fishing industries of the world, having a devastating effect on fish stocks. So they want to eliminate these subsidies not just in Canada but around the world, and of course the fear is you get the baby thrown out with the bathwater.

The Chair: You have to get to the question.

Mr. Peter Stoffer: There's no question, just a comment. That's the concern.

The Chair: Mr. Kamp.

• (1705)

Mr. Randy Kamp: Thank you, Mr. Chair.

I can only say I don't want you to be unduly concerned about these comments about the WTO. What's being referred to is what's called a chairman's draft. The reason the chairman of that section wrote this draft is that the discussions up until then weren't going anywhere because there was so much disagreement about what subsidies were and how they should be handled.

So our negotiators in the Department of Finance, as well as the DFO people who are assisting them, are certainly on top of this. The WTO works by consensus. Either everyone agrees or there's no agreement. It's not a majority vote or anything like that. So I can assure you that the government is certainly following this and is not about to sign off on some of those things that have been mentioned as possibilities here today.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Kamp.

I expect to be talking about the subsidies in 30 years' time, the same way we're talking about the wharves. So don't stress out on that one.

Mr. Calkins.

Mr. Blaine Calkins: Mr. Chair, is there time for one more question?

The Chair: You have thirty-four seconds.

Mr. Blaine Calkins: I do have one question. I just wanted to clear up for Mr. Johnson that I needed somebody from Newfoundland to explain to an Albertan how the math works. So I appreciate it. I certainly want you to benefit in the long term from the resources you have here. As an Albertan, I know very well about the value of managing your resources wisely.

I have a question for you, Herb, on the deck that you gave me with these slides. You have a picture here of a yacht from Sag Harbour yacht club in Long Island, New York. One of the questions I asked at a previous committee meeting was how a vessel that's not registered in Canada, that has a destination and passengers from another

country, gets to a small craft harbour through our customs process. Normally a vessel that originates in another country has to go to a port of entry, which obviously has customs and everything. How is it that a vessel that's originating from another country proceeds to a small craft harbour—legally?

The Chair: Why did you have to add that last word?

Mr. Blaine Calkins: I'm just wondering, because it seems to me as though it would be of great economic benefit to have these yachts and so on. Maybe I shouldn't have brought it up in a public debate, and if I've caused some undue problems, I apologize. My concern is that if we're not doing this legally, how do we make it legal so that it's not an issue? Maybe it isn't an issue. I certainly see the long-term benefits of tourism for smaller harbours and smaller communities with small craft harbours, and not just of regional tourism from our own country, but also of international tourism. I think that's probably where the future lies and where we have some of these open-ended questions. It's trying to manage that balance between what the fishermen need and what tourism is going to bring to the regions as well.

I'm just kind of curious how that all works.

Mr. Herb Butt: Either way—

The Chair: Don't worry about it, Mr. Butt—

Mr. Blaine Calkins: It works just fine is what you should say.

Mr. Herb Butt: It works just fine.

The Chair: Mr. Curran is going to have our closing comments.

Judge Pat Curran: To answer the question, we've done some assessment around American swordfish transshipment as well, positioned in Trepassey and some other ports in our region. Exactly the same issue comes into play.

Customs is a challenge. The quick answer to the question would be, in my view, to provide the local detachment of the RCMP the function of being able to clear a boat for customs as opposed to having a customs officer come out of St. John's or one of the major centres. That's the quick answer to the problem.

You're quite right, it is an impediment to development.

Mr. Bill Matthews: Don't forget it may have been cleared somewhere else before it came here.

Mr. Blaine Calkins: That may be the case.

Mr. Bill Matthews: Don't jump to the conclusion that the first important stop in Canada was here.

• (1710)

Mr. Blaine Calkins: Understood.

The Chair: I want to thank our witnesses and thank the committee. Certainly you have added greatly to our debate. Thank you for your time here today.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.