

Fishing and Recreational Harbours

Newfoundland government that is trying to enhance and help this traditional trap fishery. Most of the catch is taken in the six to eight week period in June or July when the cod come inshore. It has studied what can be done and has made proposals in a report just completed. Many of the initiatives and directions have been taken by the provincial government and not by the federal government.

At page 8 the minister comes to the conclusion that salt cod and fresh frozen cod production must be complementary and not competitive. He is following my lead that I gave him in 1974-75. He recognizes the need for more strategically located cold storage and holding facilities in Newfoundland.

The Newfoundland government just moved on this by calling tenders for cold storage and holding facilities at Placentia. It is the provincial government that is doing this. The provincial government does not have two cents to rub together, yet it is devoting its resources to these kinds of things.

The minister went on to discuss quotas and Canada's needs. At page 12, he pointed out something with which I agree. I quote:

Newfoundland is vulnerable as long as we are so very dependent on a single market.

As long as we depend on selling 80 or 90 per cent of the value of our fishery products to the United States, we are very vulnerable. The United States is now developing its own fishery because it has its own 200-mile economic zone. Other countries are still selling there. We will be in a very dangerous position in three, four or five years if we cannot break into the European common market and sell our fish products there. That is another reason why this Nordzee proposal has to be looked into very carefully. It knows that market, the kind of fishery products it can sell there, how they should be processed, prepared and the like.

At page 13 the Secretary of State for External Affairs said that he did not think any foreign deals should be made at this time that are irreversible or not of an interim nature. I do not know what "foreign deals" means. He does not make it clear that he is against a firm like Nordzee from Germany purchasing shares in the operation of Ocean Harvesters in Harbour Grace. I do not know if that is what he means by a foreign deal. If that is the case, this is the only industry in Canada in which foreigners are barred from investing. The only other exception might be the uranium industry. Certainly the Foreign Investment Review Agency will not be in any position to turn down the application made by Nordzee and Ocean Harvesters.

Since the present minister took over the portfolio in September, 98 per cent of all the applications to the FIRA for new investment and acquisitions in Canada have been approved. Previous ministers approved about 90 per cent. Now the figure is up to 98 per cent. Therefore, the deal cannot be stopped by the Minister of Industry, Trade and Commerce (Mr. Horner) for any convincing economic reason. It may be stopped by the Minister of Fisheries and the Environment if he refuses to issue licences to certain trawlers.

[Mr. Crosbie.]

The northern cod stocks that are mentioned are very important. At page 16 the Secretary of State for External Affairs makes the important principle, and I quote:

The division of quotas between offshore and inshore will be governed by how much fish can come to shore without creating an unmanageable "glut".

We have to let the fish come inshore. That should have priority. However, if all of the fish are left, if trawlers are stopped and offshore vessels are stopped fishing to allow all the cod to come inshore, we will not be able to manage the glut. Processing plants will not be able to handle it in six, eight or ten weeks. Obviously that is not necessary. It is a question of balance, how much is going to be required. No one has the answer to that yet.

There is another matter I want to take up here. In 1974 there was another tragedy in Newfoundland, particularly on the northeast coast, right from the St. Barbe coast around the northeast coast, White Bay to the St. John's area and perhaps along the southern shore. We had a tremendous amount of late Arctic ice. Even in July and August ice came into the coves and settlements and destroyed fishing gear. It was a disaster. Fishermen in those areas were wiped out. They could not fish that year.

They would not have been able to fish if someone had not helped to replace all their gear. They were not able to insure the gear. They certainly did not have the assets to buy new gear. Therefore, the provincial and federal governments instituted a fishing gear replacement program.

Practically all of the fishing gear used by inshore fishermen on the northeast coast of Newfoundland was lost. The estimate was that 350 codtraps, 7,500 groundfish gillnets, 2,000 salmon gillnets and 70,000 lobster traps were lost, to an estimated value of \$3½ million. That was the estimate made in July from all the information that could be obtained.

On August 28 of that year the present federal minister and the Newfoundland minister announced a special gear replacement program to replace the damaged or destroyed fishing gear and equipment. The federal government approved the use of the peacetime disaster formula to compensate for the gear that was lost. The estimate was \$3½ million. If that had been the actual cost, the federal government would have paid 53.9 per cent or \$1.62 million and the provincial government 46.1 per cent or \$1.3 million. The reason is that under that formula the federal government pays if the losses exceed one dollar per capita of the provincial population. So for the first \$500,000 the federal government would pay nothing, on the next million dollars it would pay 50 per cent, on the next million it would pay 75 per cent and thereafter it would pay 90 per cent.

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It was realized that measures would have to be taken quickly if the fishermen were to fish that year—those who use gillnets, not those who use codtraps or lobster traps or who had lost gear of that kind. So the two governments together drew up guidelines and established a co-ordinating committee delineating the borders within which fishermen would receive compensation for their lost gear and the method to be fol-