

are based on the Newfoundland Fisheries Board Acts, 11 of 1936, and amendments. Sections 7, 8 and 9 of the Act are quoted herewith:

Refer also to the Exportation of Codfish (Permits) Act, 44 of 1938, which provides that all exports of codfish must be licenced by the Board.

II. The exercise of powers of the Board which has come most to public attention has been that related to marketing control and in particular, the development of the group system. The operation of several marketing groups, later merged in the Newfoundland Associated Fish Exporters Limited and of the Squid Exporters Association are examples of the manner in which this power has been exercised. It is not proposed here to go into detail with respect to NAFEL or the Squid Association. Copy of letter of August 2nd, 1948,<sup>†</sup> from NAFEL to His Excellency the Governor, which we understand has come to the attention of the Ottawa delegation, has been forwarded to the Fisheries Board. It should suffice to say that the impact on the economy of Newfoundland if operation of these marketing groups is discontinued will be extremely sharp. Freedom of selling Newfoundland fish on an individual basis, will render us incapable of meeting the organized selling of our competitors, and the organized buying of our customers in many countries. Controlled marketing has built up a confidence in our industry which is a noteworthy feature of the business, and which, it can be said, does not exist in the Canadian trade. The formation of a herring association similar to NAFEL has been under discussion for some time with herring packers and exporters and has been approved in principle by a large majority.

There are other ways in which the powers of the Board have been exercised such as by the establishment of minimum prices for export. While the Board has been rather cautious in its use of this particular power and has only done so from time to time only to avoid a crisis, its application within the past year, at the request of packers, to the marketing of dressed and filleted herring was extremely successful in avoiding a situation which could have brought disaster to many herring packers. There are other marketing activities within the scope of the Board's authority to which reference will be made later in this memorandum.

III. Another item of extreme importance to Newfoundland is the retention of its standards of quality and of its inspection service. An enormous amount of work has been done in this direction in the past twelve years with extremely favourable results. Even during the war years, export standards were strengthened and compulsory inspection for export is now in force for practically all salt codfish and for herring and other types of fish. Millions of dollars have been saved over this period which would otherwise have been paid out in claims. Exports to Italy may be taken as an example — it was almost a convention that claims would be paid on shipments to Italy and many people referred to that country as a "two shilling claim market." Not a dollar has been paid out in claims to Italy over the past twelve years and this position is true generally elsewhere. In the West Indies, where two decades ago Canada was much stronger than Newfoundland, the reverse is now the case. This has come about principally through the creation of a greater measure of confidence in the stability of the Newfoundland business, through planned marketing and the institution of carefully devised quality stan-