

*Saltfish Act*

I would point out to the minister that when the corporation was set up by the Hon. Jack Davis in 1970, there was general approval in the House to the principle of central selling of salt and cured fish. At that time Mr. Davis made it a point of having consultation with all members of the House who were particularly interested in this area of the fishing industry. I suggest to my hon. colleague that apart from the opportunities he will have to co-operate with the members of the Standing Committee on Fisheries and Forestry, it might be a good idea from time to time if we were to meet with members of the House from all parties who have a special interest in a fishery or fisheries and who come from constituencies in which fisheries play a major role.

In any event, the corporation was set up with the active support of all members of the House. I supported the bill at that time. Indeed, we all did because we felt that setting up this corporation was the only way in which we could save this very important salt fishery. At that time, as the minister said in his opening remarks, the salt fish industry was on the verge of disappearing unless it received special attention. Of course, when dealing with a commodity, obviously the most efficient, expeditious way of dealing with commodity selling is through central desk selling, as in the case of the Canadian Wheat Board.

It is interesting to note that since the corporation was set up in 1970 its sales figures have gone from \$6.8 million in 1971 to \$24 million in 1979. The minister has already indicated that that figure will grow even more and hence the need for increasing the borrowing authority of the corporation. The reason the corporation will grow is because of increased demands upon it by fishermen, which will come about largely as a result of the recovery of fish stocks and as a result of the failure or inability of the U.S. market to handle 80 per cent to 85 per cent of our fresh frozen fish output, as is now the case.

I might say in passing that I was disturbed to hear a few weeks ago that the EEC had turned down proposals which I had initiated as minister of fisheries and which were supported by my colleague, my successor, with respect to trading off groundfish quotas within our zone for tariff concessions in order for us to compete successfully with the Icelandic and Norwegian companies in that very important European market, which has a potential, I believe, of somewhere around 500,000 metric tons. I was very disturbed to hear that that proposal had been turned down and rejected by the EEC, largely as a result of pressure, I understand, from the United Kingdom.

Unless we can penetrate that market, then not only the saltfish sector will be in trouble but the fresh frozen fish sector will be in very serious trouble, trouble into which it now appears to be heading. I hope that the minister will have an opportunity, either in closing the debate on second reading or in the opportunity which will be afforded him in the committee stage, to tell us exactly what the position is with regard to negotiations with the EEC for our groundfish products into that market to gain fair entry and compete with Iceland and Norway, which now enjoy tariff-free entry.

The minister referred a few minutes ago to increase demands on the corporation as the result of the growth in stocks and the inability of the U.S. market to absorb the total output of Canadian fishermen in Newfoundland and Quebec, which are the only two provinces that are covered by the mandate of the corporation. He also referred to the possibility, indeed the very likely probability, of a strike by the fishermen's union in Newfoundland this summer. Of course, if that happens—and I hope it does not because it is a strike, I am afraid, in which there will be no winners—the fishermen will be able to cure or salt their fish and sell it to the corporation and not be violating the strike, because essentially it will be a strike against the fresh frozen fish processors. However, it will certainly tax the ability of the corporation to handle and market this fish successfully.

I believe that this fish can be marketed successfully because I am convinced that there is a growing demand in the world for good quality saltfish; there is no question about that. We must put the emphasis on quality if we are to compete successfully with Norway and Iceland and other countries which are selling good quality salted fish. Of course, the market is immense. We have barely touched the market, although the corporation has made substantial gains since it was founded in 1970.

That brings me to the concern which I have and the reason I am making this intervention in this debate at this particular time. Shortly after assuming the responsibility of minister of fisheries, I met with the Canadian Saltfish Corporation and expressed to them my concern. First of all, I expressed my continued support for the Canadian Saltfish Corporation and the work it was doing on behalf of Canadian fishermen. I wish to re-emphasize that it is because of my firm belief in the corporation and the responsibility which it has that I am concerned.

My concern arises out of the fact that when I assumed office I discovered, for example, that the corporation was, under contract, marketing fresh frozen codfish from a co-operative in Newfoundland. I indicated to them my reason for not wanting the corporation involved in the marketing of frozen fish, that it was beyond the terms of their mandate. I had all kinds of sympathy for the co-operative which had no way of marketing its fish, and I suggested that such sales should be eased out as opposed to being cut off abruptly in order that the co-operative in question would have an opportunity to make alternate marketing arrangements.

My concern is that such an operation goes beyond the terms of reference of the corporation as they are set out in the act. The corporation agreed that they would not engage in the business of marketing fresh frozen fish. I am now advised that a contract between the corporation and certain small independent processors in Newfoundland is in the making, under which the corporation will handle and market the product of these small processors of fresh frozen fish. In my view, that can only serve to seriously undermine the corporation and public confidence in the corporation.