

## FISHERIES—OVER-THE-SIDE SALE TO FOREIGN FISHING FLEETS

**Hon. Elmer M. MacKay (Central Nova):** Mr. Speaker, I asked a question of the Minister of Fisheries and Oceans (Mr. LeBlanc) on April 28 concerning the ramifications of over-the-side sales of fish. I consider this to be a topic of sufficient interest and I would like to pursue it further this evening.

First of all I would like to say to the parliamentary secretary—I do not see the minister here tonight—that I would be the first to concede that not all over-the-side sales of fish products are bad, but it is very important, to use a phrase coined by my colleague, the hon. member for St. John's West (Mr. Crosbie), in the financial sense, not to sacrifice long-term gain for short-term pain.

I would like to explore with the minister or his representative the possible ramifications of what could happen if the concept of over-the-side sales of fish is not proceeded with very carefully. Not all over-the-side sales are bad. There are many situations where the quality of fish cannot be maintained unless frozen at sea. Examples of species which fall into this category are: mackerel, silver hake, and argentine. If we, as Canadians, wish to participate in these fisheries, we will have to freeze at sea, since local plants cannot process the fish or handle the volume that can be caught. In this situation, over-the-side sales are justified. However, if over-the-side sales are used as a price fixing mechanism, which could be the case, it could lead to a disruption in the Canadian fishing industry. Let me explain.

As I understand it, there are guarantees being paid to Joint Trawlers Limited for mackerel at 12.3 cents per pound or \$270 per ton, which must be one of the highest prices paid anywhere in the world for this type of product. This could ensure that Canadian processors who wish to develop the finished product and get into the world market for mackerel cannot compete. Since there is a tremendous market in Germany for smoked and canned mackerel, the Canadian industry could get into this market if it could purchase mackerel at a realistic price, having regard to general world market conditions.

Under the present policy we may have difficulty in developing our own capacity to process mackerel. However, there is a catch 22 involved here as well because, as I understand it, the federal Department of Fisheries is attempting to develop an off-shore purse seine fishery for mackerel in the Gulf of St. Lawrence. They do not want the small boat fishermen to complain about the development of this fishery. It is possible that they do not want any large factory freezer-trawlers in the gulf as they feel the offshore fishery would lead to less fish coming inshore. This is just another consideration.

Over-the-side sales to factory freezer-trawlers is a demonstration of the need—and this is one of the main points of our Canadian fishing industry. We need these vessels to get into quality markets, and once we are into these markets we can bring into the world market some of our lesser quality fish. World markets in the processing industries are beginning to stabilize after the extension of jurisdiction, and unless Canada develops a capability to participate in the high quality markets, the opportunity is not going to exist forever and we may

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have great difficulties later, which is what I meant when I spoke about sacrificing short-term gain for long-term pain.

In summary, I believe that a couple of points should be made for the purpose of debate. As I said, we should not necessarily condemn the concept of over-the-side sales. They are only justified, I believe, when the off-shore capability is not available to handle the fish and quality cannot be maintained. I believe that such sales as a price fixing mechanism or the commensurate benefit concept, as the minister referred to it in this chamber the other day, are not necessarily the best thing for the Canadian fishing industry, and providing guarantees to foreign fishing nations or joint venture firms such as Joint Trawlers Limited could be a form of a price fixing mechanism.

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In 1980 it is serving a dual purpose, perhaps, of offsetting or anticipating the complaints of inshore fishermen about off-shore catches of mackerel. If the worst comes to worst, and we do not neglect our opportunities, we can add to our Canadian fishing capability a few modern freezer trawlers. It is a fallacy to suggest that these vessels have to strain our total allowable catches or that they could not fish, if needs be, because they have the capability, far away from Canadian shores. There are other areas in the world that they can fish if they find difficulty in catching enough fish in our own quota waters. If we do not do this, the capacity Canada has to exploit the fishing markets of the world is not going to be realized.

I would like to continue these remarks with the minister on another occasion because I am sure he is aware, and he has the reputation of being aware, that there has to be a balance between the needs and opportunities of both inshore and offshore fisheries. In my own province of Nova Scotia, as I have already told the minister, there is a very great need to look at the licensing, and other considerations, that are presently existent, and to get young, capable fishermen into an area where they can not only earn a living but can do this country a great deal of good in catching and utilizing a very valuable product that is now going to foreign fleets.

It is for this reason that I open this subject tonight and invite the Minister of Fisheries and Oceans, or his capable parliamentary secretary, to let us have the benefit of the justification for some of these policies that involve over-the-side sales of fish.

**Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans):** Mr. Speaker, regarding the direct sales arrangement in the maritimes, Joint Trawlers will provide five freezer vessels to purchase approximately 3,500 metric tons of gaspereau at a price to fishermen of seven cents per pound, and approximately 9,000 metric tons of mackerel at 12.3 cents per pound. This is an over-all increase in price of 11 per cent in the 1980 contract with Joint Trawlers compared to a similar contract in 1979.

Under the agreement with Joint Trawlers, the foreign vessels will be from countries which have a bilateral fisheries agreement with Canada. The vessels will be stationed at