

XI. If Government controlled marketing of its exports is accorded to Newfoundland and the necessary legislation to make it effective passed, it will be necessary to bear in mind that this power must be extended also to trade between Newfoundland and any other provinces of Canada. The reason for this is obvious. The strength of the marketing system is and must be the strength coming from an effective combination and from the accumulated judgement of the majority. It has been our experience and that of other countries that this cannot be achieved without effective State sanction to ensure that the will of the majority is implemented and carried out. Many attempts at co-operative marketing have been made in Newfoundland and elsewhere but it has been found that without such sanction, their strength is merely that of the weakest individual member. Any nervous or financially weak individual is in a position to break the arrangement at any time and this has been demonstrated over and over again. For example, if a co-operative marketing group without Government sanction made out a programme of marketing which would extend over a period of say nine months, during which time fish in the hands of all members would be exported in accordance with their holdings, it would be a simple matter to prevail upon a weak or nervous member to make an immediate sale of all his holdings at a lower price unless he were prevented from doing so, in the interests of the whole endeavour. Unless therefore, interprovincial trade were controlled it would weaken the whole marketing system.

XII. The Newfoundland fish trade contributes 5¢ per quintal or an average of \$50,000 per year to the work of the Fisheries Board. This is collected by Customs on export and was agreed to by the trade with the express purpose of enabling the Board to pay higher than Civil Service salaries to certain key personnel at headquarters and to Fisheries Board Representatives abroad. The trade's willingness to make this contribution is an indication of the value it attaches to these services. There seems to be no reason why it should not be continued thus enabling Newfoundland among other things, to keep special representatives in the markets.

Certain of our Regulations provide for a collection of inspection fees payable to Customs on export. These go to General exchequer but are recognized as being the result of Fisheries Board activities.

XIII. A substantial number of the fish trade of Eastern Canada have shown keen interest in improving the marketing position by compulsory inspection and grading for export and through the operation in some manner of the group system. It should be said however, that there are in the minority, some very staunch and strong opponents of either policy, and that these have been instrumental so far in preventing anything being done. It might be highly desirable to have discussions with the Fisheries Council of Canada which represents trade interests there, and if possible to have their influence behind any attempts on the part of Newfoundland to retain her controlled marketing system. It is believed that the Council would support this as well as extension of the principle to the mainland.

XIV. A fisherman's insurance scheme providing for payments in respect of fatal accidents to fishermen has been fully worked out but for certain reasons was not brought into force last year and is now being held up because of the constitutional position. There are some savings from Government activities in the fish-