

I made some inquiries of the experts who were before us at committee as to how they expected to do this because, although it is a nice sentiment and we might prescribe to it widely, the question remains how do they propose to do it. I was pleased, however, to hear that they had made a five-year projection by which they came to the conclusion that it seemed to be possible, and indeed probable, that this industry could be restored to such a state of efficiency and profitability that it could be privatized. I have been told that the projections that have been made have been made on a very conservative basis—a word with which I have no quarrel—and that they have taken into consideration forecasts of prices, markets, labour costs and other matters of that sort that lead them to think their goals are realistic.

I was impressed with the testimony because it seemed to me to be realistic and encouraging at the same time. Another good thing I see built into this bill in connection with government intervention is that not only should it treat the industry as an economic unit and not confuse it with social goals, but it should also have the clear ambition or the clear intent of restoring it to the private sector as soon as the situation makes that possible. The forecast given to us is that this might be done in five years. I do not know whether I shall be here five years from now—nobody knows whether they will or not—but, if I am, I hope I shall remember, at the end of five years, to find out what happened and see how good our efforts were. However, the heart is in the right place, and I like that.

● (1200)

There was another important statement made about the fishing industry during the committee's consideration of this bill with respect to regulation. The government seems to have recognized that this industry is indeed over-regulated. The over-regulation and indeed the uncertainty as to what the regulations meant, as well as the short timeframe, constituted a large part of the problem that confronted those who had been managing those companies in the past.

I was glad to hear that the question of fishing quotas was now going to be decided on a five-year basis so that those operating the business would have a reasonable timeframe in which to make their plans. Heaven only knows why that was not done before. I hope that that will be accompanied by a general relaxation of the regulations and that the regulations will have a more sensible and business-like impact on those who are engaged in this industry.

We must remember that, while this bill deals with the important offshore fisheries, it leaves a large segment of the fishing industry still out in the cold. The inshore fishery problems are still going to be with us; the problem of the independents in competition with these large companies is one of concern. We have heard from Senator Asselin that there are certain urgent concerns in the province of Quebec that should be attended to.

Nevertheless, the fact that we are going to operate on an economic basis, the fact that we are going to operate on market-driven principles, the fact that we are heading for privatization, and the fact that the government's regulatory

structure is going to be more sensible than heretofore are all good things.

I inquired of the witnesses who appeared before the committee about our trade in fish. They told us that, as everybody knows, our major market is in the United States of America. That immediately rang a few bells, because we have seen in recent years—and certainly those coming from Prince Edward Island can talk about this—that the American view of government subsidies afforded to their competitors is something they find irritating. We have seen many examples in which retaliatory action has been taken against countries whose exports to the United States have been considered to be subsidized. I wanted to be assured that our advisors did not think that the measures contained in this bill would attract that kind of attention, because, if they did, they would be very unhelpful to us. The advice given was that they do not think that is the case; what is being done now is not being done by way of a subsidy, a grant, a special tax concession, or matters of that sort which are generally considered to be unjustified government help; rather, what is being done is in the nature of an equity investment which, by the very nature of that kind of financial participation, avoids many of the objections the American importers might raise in connection with Canadian fish exports to that country. So that was certainly a point that seemed to me to have been thought about and, insofar as one can be sure about these things, anticipated.

There is one aspect of the bill I found a little discouraging, and that related to the government still putting up stiff objections to involving the Auditor General in a review of the activities of these corporations. I noticed, by the way, that Mr. Maurice Strong, the head of the CDIC, had made some comments about the Auditor General in his bailiwick, and if the minister in charge, Senator Austin, had been here, I certainly would have asked him questions about that.

It seems to me that the government has not yet made up its mind that it is a good idea to have the Auditor General keep an eye on these various economic activities. I think that the argument is still strong that when there is government investment—in this case approximately \$130 million—in operations of this sort, it is only right that Parliament should insist on having a better measure of control—perhaps not control, but a better flow of information as to what is going on in these companies and what has happened to the government investment.

I asked that not only the Auditor General be brought in, but that these companies be asked to make quarterly reports. I was told that one of them would. The company in Nova Scotia, which has shares on the stock market, would, in accordance with the rules of the exchange, be expected to produce both an annual report and a quarterly report.

That is not the situation with respect to the Newfoundland company. That is not quoted on the public stock exchange. It seems to me that that is a curious lack of consistency. If the fish company in Nova Scotia has to make quarterly reports, which will be available to all honourable senators and all