

*Supply—Trade and Commerce*

would include fish in the commodities that should be excluded. "I don't think that's a very serious matter," he said.

I know that the Prime Minister did not mean, and I do not want to misrepresent him by suggesting he meant that he did not think fish was a very serious matter. What he meant was that he did not think fish was a very serious matter in relation to the proposed European free trade area. That is a view with which I cannot agree and I certainly hope that the Minister of Trade and Commerce will tell us before the debate closes on his estimates that he does not agree with it either.

The common market, as the minister very well knows, includes France and Italy and, as the minister also knows, France has a base for its salt codfish production in North America in the islands of St. Pierre and Miquelon. Now that there is to be a common market between France and Italy and certain other European countries there will, of course, be a common tariff and the difficulties we have experienced over the years in disposing in Italy of a proportion of our Newfoundland salt fish production are likely to be increased if the greatest care, forethought and attention are not given to every aspect of this problem by the government at all times. That is why—I do not intend to transgress the rules by debating this now; I merely point it out—we on this side of the house were so shocked when the Minister of Finance announced the other day in his budget that he was hoping to negotiate with GATT to increase the most favoured nation tariff on woollen cloth.

Woollen cloth has become one of the increasingly important exports from Italy which is, of course, one of our best customers not only for fish but also for wheat, flour and a considerable number of other products. It is also a country where we sell a great deal more than we buy. We do not feel, particularly at this time, when, because of the common market, the Italian market for fish needs to be safeguarded more jealously and carefully than ever, that anything should be done by the government to affect the exports of Italy to Canada which might invite retaliation or the possibility of retaliation. I can assure the minister that all of us who represent fishing constituencies in eastern Canada will feel very apprehensive about this aspect of that particular situation.

I read yesterday in the St. John's *Telegram* of July 9 that NAFEL, the sales agency for Newfoundland salt fish, had signed a contract for the sale of 40,000 quintals of salt codfish to Italy this year which is the same quantity as was sold last year. The article goes on to point out that it is very important

that fishermen should deliver fish of Italian quality and in sufficient quantity early enough to make possible a shipment to Italy in August. There were certain unfortunate events, of which I am sure the minister is aware, in connection with our shipments to Italy last year which no one wants to see repeated this year.

It is true, because the fishermen are no longer making fish themselves in the quantities they used to make it and more and more of it is being sold to fish plants that the amount of fish of the quality required in the Italian market has been decreasing. The more it decreases and the more fish of a quality which has to be sold in the Caribbean market is produced in its stead the greater are the difficulties of selling our fish and the greater is the possibility of having overhanging the market a surplus of the kind of fish that can be sold in the West Indies but cannot be sold in Europe, together with a shortage of fish to satisfy the European market.

I know it is not directly the problem of the Minister of Trade and Commerce, because of the peculiar division of responsibilities we have in this field, to provide incentives for the production of the kind of article we have to sell. That is his responsibility in the case of wheat; it is not in the case of fish. But I would urge the minister, and I intend on an appropriate occasion to urge the Minister of Fisheries too, to urge his colleagues to consider very carefully whether it would not be in the over-all interests of our fish exports to consider for a few years at least incentive payments for the kind of fish which will satisfy the Italian and Spanish markets until such time as that quality of fish can be produced efficiently and economically in the fish plants so that we will not lose these markets, so that we will tide ourselves over this period of transition with which I am sure the minister is familiar.

There was another very serious blow to our fish exports this year of which, of course, the minister is thoroughly aware. As long ago as November 8 in the last parliament the hon. member for Burin-Burgee asked the minister about this matter and at that time the minister expressed the hope that something could be done to avert the loss of the Jamaican market. Unhappily the minister was not successful in his efforts and we have lost that market completely for the six months which began on July 1 of this year. We have lost it because the Icelanders have underbid us in that market.

I am not sure whether or not the minister is familiar with the degree to which the Icelandic production is subsidized. It is subsidized at a rate which it is hard to believe