

HOUSE OF COMMONS

Friday, April 25, 1969

The house met at 11 a.m.

ROUTINE PROCEEDINGS

[Translation]

TRANSPORT AND COMMUNICATIONS

Sixth report of Standing Committee on Transport and Communications, in French and in English—Mr. H.-Pit Lessard (LaSalle).

[Editor's Note: The text of the foregoing report appears in today's Votes and Proceedings.]

[English]

FISHERIES

SALT COD—ANNOUNCEMENT OF DEFICIENCY PAYMENT PROGRAM

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I should like to announce, in broad outline, the nature of the deficiency payment program which the government is establishing for salt cod fishermen in 1969. The object of this plan is to ensure that our salt cod fishermen will receive a price for their product which is comparable to that which they received in 1966 and 1967.

As hon. members are aware, devaluation of a number of foreign currencies together with an oversupply of salt fish in world markets resulted in a sharp price decline in 1968. The return to the average Canadian fishermen was down about 25 per cent as compared to 1967. Incomes, particularly in Newfoundland, were also depressed. These developments, together with increased costs of equipment, fuel and other supplies have resulted in severe hardship in many Atlantic communities.

While export prices in 1969 may increase, this is by no means certain. The government has therefore decided to make deficiency payments to salt cod fishermen this fall. These supplementary payments will bring the total price they receive up to a level which is more in line with the price which they received for their fish in 1967. These deficiency payments will be made directly to the

fishermen after the fishing season is over and after the salted cod has been sold to the exporters. Payments will be made only on certain grades. Those of a high or medium quality will qualify for assistance. Ungraded fish and fish falling into the lowest grades will not. This selective approach is being followed in order to encourage the production of better quality fish. Inquiries in our traditional export markets also confirm the view that success in our salt cod industry lies in the direction of quality improvement. Our long-term plan therefore is to assist our fishermen to produce a better product.

In consultation with fishermen's representatives and the fish trade, my department has prepared a list of "target" prices for these select grades of salted cod. The prices may not be achieved in 1969. For this reason the government is prepared to supplement the prices which the fishermen actually negotiate with the buyers and exporters to an extent that will bring them reasonably close to the "target" price levels which we believe will be achieved in the early 1970's. More specifically, the government will pay directly to individual fishermen an amount in dollars equal to half the difference between our published "target" prices and the amounts actually received by the fishermen from the fish buyers. If, for example, the "target" price for a quintal of prime light salted fish is \$28 and the buyer negotiates a price to the fishermen of \$20, then the government will pay the fishermen an additional \$4 in the fall. The end price will vary, of course, depending on size, quality and grade. But the 50 per cent support formula will be the same in all cases.

I wish to stress the fact, Mr. Speaker, that this deficiency payment program is intended to compensate the salt cod fishermen for the decline in prices which has taken place since 1967. Other measures, such as the establishment of a Salt Fish Development Corporation which will assist in the reorganization of the industry in 1970 and subsequent years will be announced shortly. An advisory committee, representing fishermen and the salt codfish trade, is being appointed to assist me in the administration of this new program and to assess its impact on the incomes of fishermen