

*Newfoundland*

at the time discussions of union with Canada were under way, and asked them if they would renew that arrangement for the coming season. The United Kingdom government has agreed to do so. In other words, the United Kingdom has agreed to take from Newfoundland the proceeds from sales of fish in those European markets, and give them blocked sterling for it, which will be placed in this account. Then, of course, the government of Newfoundland would have to provide dollars for the fishermen.

On the part of Canada, we as a country—Newfoundland being a part of this country, or soon to become a part—would be able to make the necessary dollars available to Newfoundland for those proceeds, because under the terms of union Canada has undertaken to assume the payment of sterling debt. We would therefore be in a position to use the proceeds of such sales for the servicing and reduction of that sterling debt.

**Mr. Matthews (Kootenay East):** I should like to ask a question regarding the latter part of subsection (5), where it says:

And employees of the Newfoundland fisheries board shall become employees in that department in positions comparable to those of the employees in that department in other parts of Canada.

Does that mean that when these regulations come into effect there will be a general stepping up of salaries of those employees beyond what they are now receiving?

**Mr. Mayhew:** We will try so far as possible to have an equalization of salaries. In some cases it would be a stepping up, while in others it might be a stepping down.

**Mr. Archibald:** With respect to liquidation of the Newfoundland debt by accepting blocked sterling for fish exports, is there any chance of getting rid of some apples and canned salmon so as to help liquidate the debt of Newfoundland in that way?

**Mr. Abbott:** Perhaps we could answer that when we are considering Newfoundland's debt. It is expressed in terms of dollars. The Newfoundland sterling debt is expressed in terms of dollars at \$62 million. It has varying maturities. Canada will have to service the debt until it is repaid, and in due course will have to provide for payment. In order to provide for payment Canada will have to acquire the necessary sterling; and it will acquire that sterling by giving to the United Kingdom treasury the equivalent amount in dollars. Presumably the dollars will be used as part of the general dollar reserve of the Bank of England or the United Kingdom treasury, and used for whatever purposes their laws provide. But I do not think Canada would be in a position to impose con-

ditions upon the Bank of England or the treasury of the United Kingdom as to how such proceeds would be used.

**Mr. Dickey:** Mr. Chairman, before the section is carried I should like to support what was said by the minister and also by my colleague, the senior member for Halifax, with respect to the industry generally.

The Nova Scotia and Newfoundland fishing industries are quite similar. I believe the union of these industries under one jurisdiction will be a source of strength and will result in far-reaching benefits for the industry as a whole both in Nova Scotia and in other parts of the maritime provinces, as well as in Newfoundland. As the Newfoundland industry stands, having been developed under a separate jurisdiction, it is unavoidable that at the present time there are certain arrangements and regulations concerning the industry which are different from those under the Canadian jurisdiction as applied to the industry in Nova Scotia and the other maritime provinces.

I believe it indicates a desire of all parties to see that the two industries are united under one jurisdiction, with the least amount of damage to either, when it is pointed out that arrangements have been made to continue in force for a period of time certain of these special regulations under which the Newfoundland industry has developed, in order to provide an orderly and proper unification of the regulations which in future will apply to the industry as a whole.

The fact that these regulations have been continued in force does not in any way show that these particular regulations and arrangements are approved, that they will be continued in force permanently, or that any of them will be made to apply to the industry in those parts of the maritime provinces which already form a part of Canada. That the whole question received the greatest possible consideration is shown by the great detail set out in section 22, now under consideration, and more particularly by the very detailed discussion of the various questions involved, and information which has been given in the committee. The industry as a whole will benefit through the efforts of the Department of Fisheries to improve methods of packing and transporting fish products to market. As a result of benefiting to that extent the industry will be able to bring about considerable expansion.

The hon. member for Cape Breton South rather left the impression that trawlers were destroying the shore fishing industry. My colleague pointed out that there were two schools of thought on that matter. I think it is generally agreed that if there is to be

[Mr. Abbott.]