

*Newfoundland*

standard of living, renders the industry somewhat susceptible to world economic conditions.

The development of the fishing industry in Newfoundland has not been one of continuous progress. Over the four centuries of its history there have been many ups and downs, and a number of remedies have been applied to bring about recovery. When the world economic depression struck in the early thirties, the economy of Newfoundland was unable to cope with the pressure exerted on it by falling markets for its principal export economy. In the period of 1926 to 1930 the codfishery yielded close to \$13 million annually in value of exports, but from 1931 to 1935 the average was cut approximately in half to \$6.4 million.

In the face of these conditions, in 1936 the commission of government established the Newfoundland fisheries board, and endowed it with wide powers over the production and marketing of salted codfish. This was a drastic change in tactics made necessary by drastic economic conditions. The board was given authority not usually vested in such an organization in a democratic country; but as I have said, the desperate plight of the fishing industry made such a step imperative.

As world conditions improved, the fishing industry, and indeed the whole economy of the island, began a slow recovery. The value of exports of fishery products, which stood at \$6.9 million in 1937, rose to \$8.1 million in 1940, and then rose sharply throughout the war to a peak of \$33.8 million in 1946. In 1947 the Newfoundland association of fish exporters, NAFEL, was formed by the board. All exports from the island are now controlled by this association.

This has been but a brief survey, Mr. Speaker, of the Newfoundland fisheries. I am sure you would not expect more from me at the present time, although it would be very profitable to anyone to read the many books and articles that can be found in the library.

Before answering the hon. member for Cape Breton South (Mr. Gillis), I should like for a minute to give a brief outline of the method by which the fisheries committee proceeded with its part of the program of bringing about union. It was felt that any time you tackled the fishing industry you were tackling a very live nerve centre in the whole economy of both countries. Therefore it had to be dealt with in a spirit of good will on both sides. When the committee was set up, I asked them to come to my office. Mr. Walsh was the chairman of that committee. He and his associates visited the office, and with the departmental officials we sat down to consider the problems before us. Before

proceeding I suggested to him that we would not consider them in the manner of horse traders. I said that I realized they were here to do a job—to negotiate—a job which they would want to live with, not only in the immediate future, but for years to come. I asked them to look upon us in the same way. I assure you that this was the spirit in which we approached the whole problem.

At the beginning I suggested to them that we all knew, facing each other as we did, that there was one problem about which there would be some difficulty, and that was the fisheries board and NAFEL. At that time I intimated to them I had had some experience in the splitting of wood, and had found it was very desirable to put a wedge in at the knot to open it up, and that the rest of the block would then fall apart in an easy and fairly reasonable way. That is exactly what we did. We started immediately to discuss the things that we knew were going to be hurdles, and somewhat difficult to get over.

After spending two or three hours in exchanging views on this matter, we proceeded by way of memorandum. We were given a list of questions which the delegates wanted us to answer. We answered these questions and then discussed our answers in another meeting. After various meetings, by a process of elimination, we finally reached a list of understandings which will be found in this pamphlet. I believe all hon. members have a copy of the pamphlet, and they will find the questions on page 8. These were the questions this committee was finally able to submit to a committee of the cabinet and of which we were finally able to get approval. These questions then found their way into the pamphlet which we have before us. I want to show that never at any time were there any harsh words. At all times the matter was viewed in a reasonable and business-like way and we are very pleased with the results.

Some of the questions which were asked this afternoon have to do primarily with our own position, and the fight between trawlers and shore fishermen. I think those questions can quite easily be left to be dealt with when our estimates are under discussion.

A question was raised about the fisheries board. The fisheries board was set up in 1936 by the commission. It is composed of a chairman and two members. This board has fairly wide powers, I will grant you. In 1947 a company was set up known as NAFEL, which is an exporting company.

**Mr. Knowles:** What is that word?

**Mr. Mayhew:** NAFEL, a Newfoundland association of fish exporters. We are not