

Canadians, over and above this A, B and C?

**Mr. Job** There may not be any other handicap; I do not say there is. I think they have some advantages in the way of better shore fish.

**Mr. Smallwood** That is quality.

**Mr. Job** That is an advantage.

**Mr. Smallwood** I am trying to get at the disadvantages. To what extent is the fresh fish industry and the saltfish industry too, handicapped for Newfoundland as compared with Canada or the United States or Iceland.... To what extent are our producers handicapped by customs duty collected on machinery and plants and shops and packages and equipment used in the industry, and second by the rising costs of the actual producers — the actual fishermen? You go back to page 1 of the Appendix and you will note because of "The frozen blueberry industry was also a very substantial business and of very definite value to the country, owing to the fact that the cost of picking was very little and the number of pickers probably thousands, making for a wide distribution of the cash paid out, which some years amounted to over \$500,000." A man or woman goes out and picks one gallon or ten gallons of blueberries. I think the cost of producing that one gallon of berries, to that woman, is her cost of living. Similarly the fishermen in competition with fishermen of Iceland, Norway and Canada, have a higher cost of living which is due to some extent to taxation. Taking the two together — taxation on what he and his family eat and wear and use; taxation on machines, plants, wrapping, cartons, paper — all these things that enter into the fish industry. I do not want to anticipate your sealing report, but there you make that very point that taxation on things going into the seal hunt, coaling the ships, equipment and the ship itself, is making the cost of production high. To what extent is it true in the fresh fish industry? How can it be helped by reduction of taxation?

**Mr. Job** I can answer that to a certain extent. The government has encouraged the cold storage industry very much by free entries. But I know of one case of an engine put into a vessel or steamer; the engine was purchased in Canada, in Vancouver, came over the railway to Halifax; by boat from there to Newfoundland — the engine cost about \$30,000. We thought we could get it in free

of duty; but it was charged up in the thousands. I think that was unfair because it was directly in the interest of the cold storage industry. On the whole the policy of the government has been to permit everything possible in connection with the cold storage industry to come in free of duty.

**Mr. Smallwood** That is for fixed capital and capital equipment?

**Mr. Job** Capital equipment and material. I do not think they paid anything for linings or cartons. You will have to give us notice of these questions.

**Mr. Hollett** On page 8. "Newfoundland would then be at the advantage of such multilateral trade arrangements as would materialise — one of which, it is thought, could be most favoured nation treatment for the entry of our fish products into the United States." That sounds more like "unilateral" to me.

**Mr. Keough** I thought any nation that entered this ITO<sup>1</sup> would get preferential treatment all around; they would get most favoured nation treatment.

**Mr. Hollett** You may be right, but I cannot see it.

**Mr. Keough** Outsiders would not have the same preferential treatment.

**Mr. Smallwood** There are 18 nations — 17 invited by the United States to come together and form an international trade organization. The ITO, if it is formed, will be for the purpose of enabling the members to enter into multilateral and bilateral trade agreements between each other. You may have any two or all 18 members coming to bilateral treaties in addition to multilateral. I understand Newfoundland is attempting at this conference, after it opens on April 8, to negotiate a bilateral trade treaty with the United States.... No doubt there will be other bilateral arrangements made as well.

**Mr. Hollett** I am not any more clear on the matter than I was. However, we will see what we shall find out.

**Mr. Smallwood** This is a gigantic thing, this fresh fish industry. There are a lot of people in Newfoundland engaged in this industry. Here is a most valuable report that, in my humble opinion, is one of the finest documents ever produced in the history of Newfoundland, if not

<sup>1</sup>The International Trade Organisation was a creation of the 1944 Bretton Woods Conference. It never came into actual existence, and was replaced by the GATT.