

that the Canadian ocean perch industry is "calling the tune" in the United States market, and it is clear that, without immediate Federal assistance, our ocean perch industry will soon cease to exist.

#### PROPOSALS FOR PROTECTION

From the above, it seems obvious that this is no ordinary case of competition between domestic and foreign industries where both start out on a relatively equal basis. Nor do we have here a situation where the foreign industry begins with an advantage obtained by lower labor and production costs. Instead, we submit, this is a special case. Although the foreign industry does indeed have an initial advantage as a result of lower labor and production costs, it also has a far greater advantage resulting from a complete program of direct and indirect governmental subsidies. No amount of skill and efficiency on the part of the domestic industry, no amount of technological development, product improvement, or promotion and marketing programs can be expected to cope with this situation. We are not simply facing a problem of "adjustment." There is no way whatsoever that the domestic fishing industry can adjust to this type of unfair competition, except by going out of business.

Failure of the domestic fishing industry would have extremely grave consequences, not only for the fish-producing states directly concerned, but on the entire country. Already the imbalance between fisheries imports and exports is adding substantially to the critical problem of the dollar drain and the balance of payments deficit which is one of the major concerns of our Federal Government at this time. With the complete elimination of our domestic fisheries, the dollar drain in this area would be multiplied many times. Furthermore, consumers in the United States would no longer have the protection afforded by normal competition; exporting nations would be free to set their own prices on all fisheries products sold in this country.

For the good of the entire nation, therefore, we believe that action must be taken to give the domestic fisheries adequate protection. This protection might be considered as a form of "export incentive," rather than as a protective tariff or direct subsidy. It might be called an "equilization tax" designed to prevent unfair competition. But it would presumably take one of the following forms:

1. A direct subsidy and assistance program which is equal to that presently enjoyed by the Canadian fishing industry.
2. A selective increase in tariffs on fisheries products imported from subsidizing nations.
3. The establishment of quotas based on 1962 levels for fisheries imports from subsidizing nations.

#### CONCLUSION

Any of the above proposed courses of action would seem to be both reasonable and equitable. Indeed, one course or another is absolutely essential to the survival of Maine's commercial fishing industry and to many segments of the entire domestic fisheries. The need for such action is great. It is also urgent. Therefore, it is our hope that this Committee will take whatever steps are necessary to implement one or another of these proposals at the earliest possible time.

#### APPENDIX A

##### SUMMARY OF A RULING BY THE GOVERNMENT OF THE PROVINCE OF QUEBEC REGARDING COMPENSATION PAYMENT TO THE FISHERMEN FOR 1967

This Ruling concerns a compensation payment on the price of fish to fishermen and boat proprietors in the Province of Quebec.

1. Said compensation applies to *cod, perch, and sole processed in the frozen fish plants only*. There is no compensation for perch measuring 9" and less, which is not to be bought for commercial production.

2. Maximum compensation prices are:

- 0.01¼ lb. for cod
- 0.0¾ lb. for perch
- 0.0½ lb. for sole

providing the producer pays a minimum of:

- 0.02¼ lb. for cod