

Hon. Mr. McLEAN: Did Norway get the benefit of the French treaty?

Mr. McKINNON: Norway got the benefits of the French treaty, and now gets the benefit of the new rate,—1.5 instead of 1.6.

Hon. Mr. McLEAN: It has been a long hard road to work the sardine business up in Australia, New Zealand and South Africa. You all know the trouble we had over the word "sardine". After very many years Canada was able to build up a very large market in Australia, New Zealand, South Africa and different parts of the Empire. As I understand it, our preference is also cut in those markets on sardines the same as on salmon.

Mr. McKINNON: Mr. Kemp will have to answer that. It differs in each market.

Hon. Mr. McLEAN: Our preference has been lessened quite an amount, I understand, in these markets, and as I stated, you can seek new markets, of course, but the markets we had were built up over many years for the sardine business and also for the salmon business, and it is going to be difficult to go over that long hard road and find other markets to replace those which you have given away. I might ask, with these concessions that you have given to other countries in the sardine industry, what do we get in return, either for the industry or probably some other branches of the fish business? I know this, that the duty has been raised to the United States on one part of the sardine industry, but that does not count at all, I won't bring that into the situation, but it has been cut in two, 15 per cent; but the duty has very little effect as far as the United States and ourselves are concerned. The duty is down to 15 per cent now between the United States and Canada.

In the Bay of Fundy, where the herring are found, I would say that 85 per cent of the fish are on the Canadian side of the Bay and 15 per cent are on the American side of the Bay. The factories being just a few miles apart, there is very little difference in the cost; and if fish are going to go back and forth between Canada and the United States it would be more on account of inefficient operation, I would say, than of cost. During the war the price of fish was fixed there at \$15. After the exchange was changed, or the dollar was brought up to the American dollar in 1946, that was never recognized by the Canadian buyers in the Bay: they paid then, and have ever since, \$16.50 a hogshead, against \$15 paid on the American side. During the war we had to pay \$16.50 for sardine herrings on our side to equal the \$15.00 on the American side. That situation still prevails. The difference in the exchange has not been recognized. Now, the cost of fish to the canneries in Canada is 10 per cent more, at their own free will, than the cost of fish to Americans. The cost of labour in the United States is probably a little more. I admit that, but they may pay a higher hourly rate and they may cut workers off at a certain time in the afternoon whereas on the Canadian side they try to give every man a day's work. The result is that the earnings on the Canadian side are probably more on a yearly basis. I do not think it would be a very big concession to put sardines back on a 15 per cent duty basis, on the East Coast. During the last ten or fifteen years we have worked up a large trade elsewhere and I do not think we are going to get anything in the way of a very substantial benefit back from the United States. Concessions have been given with regard to other industries and the fish industry should be the same. You cannot improve on nature. The canneries' job is to maintain what nature has given or to leave nature alone. There would not be much object in shipping fish back and forth across the line. I think that is about all the points I wish to cover this morning as far as the canning industry is concerned. Like the salmon people I should like to know what benefits we may receive in return for what we have given away in the industry.

The CHAIRMAN: I suppose you will answer these questions Mr. Kemp.