

*Supply—Fisheries and Forestry*

The country's fishing industry represents an estimated investment of more than \$200 million in ships and fishing gear, and tens of millions of dollars more in shore facilities. It provides employment income for an estimated 80,000 fishermen, of whom some 30,000 are full time operators, as well as 20,000 men and women workers in our processing plants. The fishing industry makes a great contribution to our foreign exchange reserves, for over two-thirds of the industry's output, which last year was estimated at \$325 million, is sold in export markets. In fact, our exports of fisheries products last year set an all-time record of \$235 million, and Canada now stands in second place behind only Japan among the world's leading fish exporters in terms of value.

● (12:30 p.m.)

All this is very heady stuff and at first glance the average Canadian would get the impression that the fishing industry has had clear sailing with fair winds. In fact, in his comments the minister practically stated that Canadian fishermen never had it so good. However, this is simply not the case because the fishing industry is going through a very difficult period of readjustment. On the Atlantic coast the fresh and frozen sector of the groundfish industry is faced with falling yields on offshore grounds along with very serious marketing difficulties. On top of this, the reduction industry is faced with very low levels of world prices for fishmeal and oils. Generally, prices for most of our frozen fisheries products have declined in the United States which is our most important market. In fact, only a few weeks ago one of our European competitors sold 700,000 pounds of frozen cod blocks in the United States market for 20 cents a pound, not 21 cents but 20 cents a pound, which is one cent below the market price in recent weeks and approximately six cents per pound below our cost for landing the same species in Boston. Unfortunately the end is not in sight, for Iceland, one of our chief competitors, again devalued her currency from 57 krona to the U.S. dollar to 88 krona to the U.S. dollar, which is bad news for our fresh and frozen groundfish exporters as well as our salt fish dealers.

I know of no industry in Canada which faces economic problems as serious as those presently faced by our Canadian fishing industry. Many fish processing plants in the Atlantic provinces have already closed their doors—one in the town of Shelburne in my constituency—while others are on the verge

of bankruptcy. This situation is the direct result of almost three years of declining revenues and increasing costs. As a consequence, there has not been any expansion—here I differ with the minister—in the over-all earnings of our fishermen and this situation is contributing to serious social and economic problems in our fishing communities. The records will show that from 1960 to 1966 we had a period of heavy investment in fishing vessels and processing plants which was encouraged by a strong demand and rising prices for our fishing products. The reversal of this expansionary trend since 1966 is not due, in my opinion, to any weakening of consumer demand for fish but can be related directly to developments abroad which have reduced market prices in terms of national currencies. This is one of the problems which the minister stressed in his statement.

It is evident that currency devaluation in European countries is now having a marked effect upon Canadian fish exporters. Coupled with devaluation is the disruption of Iceland's and Norway's traditional markets in Africa and these countries are now setting the pace of competition in our traditional markets. Therefore I found it hard to believe that the Minister of Finance could recently rise in his place and state that the currency crisis in Europe would not put any pressure on the Canadian dollar. If he wants to see the effect it is having on the Canadian dollar, I would invite him to visit some of our Atlantic coast communities. I was pleased that the Minister of Fisheries commented on this devaluation because it is evident he is aware of this problem, and I hope that the Minister of Finance reads these remarks today so that he too is made aware of the problem created for the Canadian dollar by the devaluation of currencies in Europe.

Faced with this savage competition, Canadian exporters have been able to hold their own in terms of quantity, but our position in the U.S. market was retained at a tremendous cost in prices. In fact, the duty paid delivered price of cod blocks declined from 30 cents per pound in November, 1965 to 21 cents in July of 1968 with similar declines in the prices received for ocean perch and flounder filets. Since it takes three pounds of cleaned codfish to provide one pound of filets, a decrease of nine cents per pound in the price of cod blocks represents three cents per pound less for raw material. In other words, the prices paid to fishermen for codfish would have been expected to decline by three cents a pound during this