

*Supply—Fisheries*

one hundred and ten per cent on its investment. If all the departments were as good in business as the Department of Fisheries, the government would soon be paying off our country's debt. If the suggestions made to the government last year and the year before had been followed to the letter in 1950, I am quite sure the department would have made over two hundred per cent profit. As it is they are making one hundred and ten per cent profit, and if they are careful to see that these skins are properly processed I am sure they will make a great deal more.

According to the details given here the returns are not yet complete, but it is expected that the returns will total \$1,141,169. It costs \$445,000 to produce that \$1,141,169. As I said a moment ago, if the Department of Fisheries will look carefully into this business and follow it through, there is no doubt that they could make two hundred per cent on their investment instead of one hundred and ten per cent. This processing is peculiar work and something that takes years of experience in order to produce a high-class article. I have mentioned already that there are three different firms in the business of processing sealskins into fur seal skins. There is a small company in the United States that we have not mentioned before but the government does not deal with them so we will leave them out of the picture. The three big concerns are Martins of London, England, Martin-Schnauffer Company of Toronto, and the Fouke Company of St. Louis. The other small firm is in Chicago, and it does a little of this work.

In my opinion the mistake that is being made, and I believe the trade shares this opinion, is that the article is not uniform. This is due to the fact it is made under three different processes. If one attends these auction sales the regrettable part of this business is immediately apparent. For instance, the Canadian skins are stamped "Canadian" and that is supposed to indicate the quality of them. If they are processed in St. Louis, in Toronto or in London, England, they still bear the stamp "Canadian". You thus have three different qualities of your own product on the market which brings three different prices. Just to demonstrate this may I say that at the last sale I attended on December 8, 1950, I found that there were 1,500 skins of the St. Louis dye. They sold for \$82.68 on an average. At the same time there were 1,700 skins—you can check me to see if the amounts are correct—processed by Martin-Schnauffer Company the same type of skins, and they realized \$61.02 on an average. There was a difference of \$21 or more between these two groups. Now,

that is too much to lose because it amounted to some \$32,000 or \$33,000 on that one lot of skins. Further on, in that same sale there were some black skins, and the black are the most profitable dyed ones at the present time. The market is clamouring more for the dark ones than for the safari and the matari. When these skins were sold at the auction sale on December 8, 1950, the Canadian-dyed machine skins brought \$82.68 while the black skins of the St. Louis firm brought \$135.53. I made a mistake in the first price. It was only \$79.08 on an average. Here was a difference on our own Canadian product of \$56.45 per skin. That is the reason I say to the minister and his officials that we should have, for our product or our share of the northern seals, a processing that is all the same.

If you want to sell them at a lower price, then process them in the plant that gives you the poorest article. But if the department wants to hold their trade and have a good article, then process them where you get the best article, stamp them "Canadian", and have only one fur of that kind on the market, with a "Canadian" stamp on it. It is strange to go into an auction room and find at these fur sales three different qualities of the same article, with the variation in quality all due to the difference in the processing system.

I am bringing this matter to the attention of the department because they might as well make two hundred per cent as one hundred and ten per cent. As I told them in 1946, a good many years ago, when they were not making any money at all on this article, they could realize a million dollars. I was rather scoffed at at the time for making that statement. We are now almost up to that, and I am sure they could easily make a million dollars profit out of the sale of these skins, even if the take-off is only small. It is unfortunate that our 1950 quantity of skins is not all sold yet. Am I right in that?

**Mr. MacNaught:** Yes.

**Mr. McLure:** They are not all sold yet?

**Mr. Mayhew:** No. There are 14,500 skins unsold.

**Mr. McLure:** They are not processed yet, are they?

**Mr. Mayhew:** They are in the hands of the processors.

**Mr. McLure:** Yes; and they are not likely to be processed before the fall, so far as I know. They will not be processed in time for the early sales. However, I do not object. I want the department to understand that I am British enough to say that I do not want to take any of the business away from a