

Supply—Fisheries and Forestry

looking hard at the possibilities of reducing costs. I am told that in respect of our major trawler fishing operations, economies of as much as 25 per cent could be effected by reorganization of the operations of the fishing sector itself, by redesigning vessels, and so on. But this, as I mentioned before, cannot be counted upon to come about overnight.

A similar improvement in productivity resulting from a rationalization or centralization of plants, but most of it due to a reorganization within existing plants, can take place on land. But again this is a long term process. I see no reason, looking at the summary reports I have had and listening to others, why a 2 per cent to 3 per cent per annum improvement in productivity cannot be realized. Perhaps this process must be speeded up by one device or another. We can expect some relief from that quarter.

I want to return now to the immediate problem. The immediate problem is that of an industry which in the round produces products worth \$100 million, an industry which received \$4.5 million worth of assistance from the federal government in the form of so-called deficiency payments for fresh and frozen fish during the past 12 months, an industry which has also received some \$4 million in terms of purchases of dried salt cod, all of which has been taken out of normal commercial channels and will be used for food aid purposes. Those dollar inputs have been there in 1968. The industry, of course, wants the taxpayers of Canada through the federal government either to buy some of its products or price support others of its products so it can continue (1) to pay the fisherman the same price as he received in 1967 and 1968 and (2), to have enough cash in hand to pay immediate bills, to buy the fuel and other supplies needed to send trawlers to sea in January, 1969, to pay interest on debts, and so on.

I think hon. members opposite know that we are all concerned about this problem. We must be concerned about it because we are on the verge of doing something unprecedented for the fishing industry in Canada. We do not want to start doing the same sort of thing as was done in respect of the coal mines in important parts of Canada and get in deeper and deeper. We must resolve what is a very deep-seated problem here. It is essentially one of productivity. We know that with the best management in the world and the best equipment in the world, the best vessels and the best plants, we can improve our productivity by 25 per cent.

[Mr. Davis.]

This by itself would be a \$25 million solution to the industry's problems. But as I said before, this is not going to happen quickly. We can hope that the price will rise, particularly for codfish products to the United States, from 21 cents up to 26 cents or 27 cents; suddenly there would be another \$25 million gross income available to the industry. Then this problem, at least in the short term, will be resolved. We are going around a tight corner and will have to come up with short term solutions as well as long term solutions. Mr. Chairman, the committee has been very tolerant in giving me this much time and perhaps I had better sit down and listen to other people's solutions to our problems.

Mr. Crouse: Mr. Chairman, I listened with interest to the remarks of the Minister of Fisheries who is piloting his estimates through the house for the first time. It is evident that he has spent considerable time studying the problems of this important primary industry. I am glad his estimates came before the committee today rather than on Monday, for on Monday the roster might not have permitted him to be here to carry out this very important function.

As the committee is aware, the fisheries estimates were referred to the standing committee on fisheries and forestry where the operations and policies of the department were given a very thorough scrutiny. However, we are dealing with an expenditure of some \$75,106,300 of the taxpayers' money and there are a number of items upon which I should like to comment while the estimates are before the committee. Of course I shall also comment upon a number of the minister's statements with which I disagree.

The importance of the Department of Fisheries has been recognized over the years by the increasing importance of the fishing industry in our economy and in the economy of the world. Canada's fisheries resources are harvested from two of the greatest oceans and from the most extensive bodies of fresh water in the world. The living resources of the two oceans contribute up to 95 per cent of our nation's fisheries production, while the remainder comes from freshwater stocks in the Great Lakes and other inland waterways. We utilize commercially more than 150 species of fish and shellfish, the most important being groundfish, salmon, halibut, herring, lobster and other shellfish.