

*Supply—Fisheries and Forestry*

ways to finance their purchases of materials and to pay the interest on their bonds. In other words, they need cash. The companies lost money in 1967. Because \$4,500,000 was passed on to the fishermen their position has not changed materially in 1968. In other words the industry is still in difficulty because of the lower prices.

When looking at the marketing side we can perhaps see some relief. The figures I have, supplied to me partly by our own fisheries people and partly by the Department of Trade and Commerce, indicate that the total volume of exports, and this is 70 per cent of the production of the fresh and frozen fish industry on the east coast, has increased. I want to say also that the dollar value of exports to all countries has also gone up by 8 per cent. In other words the overall income of this industry has been rising in spite of the declining price.

In the first nine months of 1968 Canada exported 290 million pounds compared with 220 million pounds in 1967. We have obviously been shipping a lot more fresh and frozen fish to the United States, and in spite of the decline in the price the gross income or value of these exports is higher than it was last year. I understand the gain in respect of our fish products has not been reflected in overall consumption. Certainly production principally of fish sticks has gained in relation to other fish products exported to the United States market.

I am told that the per capita consumption of fish in the United States has been fairly constant in recent years, running about 10.5 pounds per annum. However, when considering the quantity of fish sticks consumed in the United States, we are up from January to October, 1968, to over 185 million pounds in comparison with 128 million pounds during the first ten months of 1967. That is an increase of nearly 60 million pounds or 45 per cent. So we are shipping more of these fresh and frozen fish products to the United States markets. We have been getting a larger share of the United States market in the form of fish sticks and portions.

• (12:20 p.m.)

Of course, this has to be viewed in relation to the performance of other countries. I understand that shipments from Norway, Denmark and Iceland have also increased considerably, and this is reflected in the fact that our share of the total market is down so much. However, there is another aspect of

this problem in relation to overseas competition with which I am sure many members opposite are also familiar. The devaluation of the currencies of those countries which are also exporting to the United States in larger quantities than before has resulted in United States prices looking higher to them in terms of their currencies. In their currencies the price is at least the same as a few years ago. In the case of Iceland, where the over-all devaluation has now reached the order of 50 per cent, the price undoubtedly looks a lot better to the fishermen in that country and to the industry, companies and organizations shipping into the United States. There is a diversion, also, of these fish products from European, and particularly African, markets. The difficulties on the continent of Africa at the moment are one of the causes for there being an additional supply of fish available from European countries.

[*Translation*]

**The Acting Chairman (Mr. Cyr):** Order. I must remind the member that his time has expired, unless he has the unanimous consent of the committee.

**Some hon. Members:** Agreed.

**The Acting Chairman (Mr. Cyr):** Agreed.

[*English*]

**Mr. Davis:** Thank you, Mr. Chairman. I have skimmed over quite briefly the development on the United States market side—greater volume and a declining price to the Canadian exporter. I might perhaps have mentioned that there has been no decline in price to the ultimate consumer. So there is a larger margin available in the United States at the moment. Perhaps some part of that margin is going toward the promotion in the United States market of our products, our fish. I would certainly hope so. I would hope also that we have in prospect, and hopefully early in the new year, some improvement in price to the Canadian exporter. But this is something which we certainly cannot take for granted. If it does not happen, of course the industry has to turn even more to cost reductions and improvements in efficiency in order to get by.

There are a number of things the industry can do, but again many of these are developments which can only be counted upon in the longer term. The government has been financing a study of productivity in the industry and how individual fishing and processing operations can be improved in the Atlantic area. The industry itself has been