

of Blacks Harbour have large inventories, and other packers are similarly affected. A few fish are going to American packers for cat and dog food and for fertilizer. Otherwise, the Blacks Harbour plant is the only purchaser. That the picture is not overdrawn is evidenced by the fact that many small factories which opened and thrived under wartime conditions have gone to the wall. Only those fishing plants large enough to make by-products a paying issue have survived. The conditions as stated apply despite desperate efforts on the part of canners to stimulate markets and search out avenues of sale. Connors Bros. Limited, at Blacks Harbour, have a \$75,000 laboratory, expert chemists and research workers avidly seeking new and attractive products. The American canners last year set aside 25 cents a case for research for better ways of packing and marketing.

That these matters are misunderstood is one of the tragedies of trade. Recently it was suggested that the depressed state of the sardine industry arose from the reluctance of canners to pay higher prices to the primary producers. The statement was no doubt sincerely, if mistakenly made, but it was apparently made without a complete study into effects and causes. This is emphatic proof that to attempt the solution of any problem we must know in clearly defined terms what the problem is. To work on any other basis is a futile and misleading practice. The surface solution as far as the primary producer is concerned is higher prices for fish. With factories closed for want of markets, the solution is not so simple or so easy to put into words. Under such conditions a staple price over a period of years to the primary producer has not even the glow worm of a promise. With the finished product selling, as I have seen it sell in the South African market, at eight shillings a case in depreciated currency, the possibility in past years would be fantastic.

The size factor is another impediment to standard prices. Practical experience demonstrates that fish range in size to pack out at anywhere from eleven to thirty cases per hogshead. The cost per case for the finished product in such circumstances might triple in respect to fish content, and at \$15 per hogshead the packing cost might vary from fifty cents to \$1.50 per case. These figures are instructive and impressive. Under war conditions, when a set price of \$15 per hogshead was operative,—due entirely to an effort to check inflation, and in the public interest,—general satisfaction was displayed. The only criticism voiced in respect to the

matter was by members of the armed forces, who considered themselves unfortunate in being unable to participate in what they regarded as the lush years of the fishing industry.

The important point, however and the lesson to be learned, is that the price was maintained by reason of the fact, and only by reason of the fact that markets were available. The failure in today's turn of events is the failure of markets to stand up under present conditions. It is not a question of the canners providing a market for the primary producers. That market cannot be maintained unless a selling market for canned goods is openly available. The essence of this comment lies in the fact that canners are merely distributors of a saleable product under the competitive incidence of trade. There is no question about that.

The whole history of the manufacturers shows a sound policy of live and let live. Weirmen, boatmen and fishermen have been financed by manufacturers in the most generous measure. Credit has been widely extended, and prices have been maintained beyond expected limits and the immediate needs. Factory-owned weirs have remained unseined to give wider distribution in the matter of purchases. In all transactions of purchase and accommodation the honour and probity of the manufacturers has been unquestioned. They have gained in world markets an enviable reputation for honest dealing and commercial integrity, and have sustained at home, both in the trade and among primary producers, a similar standard of wholesome approval. The development of today is in no sense a local one. It is the thrusting back on the home market of supplies which in former years found outlets in many foreign countries.

The situation, therefore, should be the subject of intensive inquiry, and negotiation at government level to provide sources of disposal.

Should anyone question my knowledge of the points at issue, I may again inform the Senate that I was born and have lived on the seashore; that for twenty years I corresponded with and directed shipments of fish products to almost every known port of the world; that after intensive and prolonged study of the intricacies of the fishing industry, I prepared the New Brunswick brief upon this subject for presentation to the Imperial Conference of 1932, and that for the greater part of a lifetime I have studied the involved problems presented in every phase of the industry.

From my experience and from my studies, I again repeat that receptive markets are the