

*Supply—Fisheries and Forestry*

results only, without government assistance. The present market condition has been created by countries with heavily subsidized fishing interests both in their fleets and on shore or by countries which have recently experienced drastic devaluation, as I have mentioned previously.

● (3:20 p.m.)

The industry has now been advised by telegram from the minister not to count on any help from the government of Canada before the end of the fiscal year ending March 31, 1969, with no indication of what is to come after that. This means five consecutive months of substantial losses estimated for those processing groundfish in Newfoundland, cash losses of between \$300,000 and \$400,000 a month for the companies concerned. The trading losses including depreciation are of course in the order of half a million dollars per month, and I think it should be stated that the depreciation cost is as valid a cost as the actual cash loss. Half a million dollars per month is the over-all trading picture which includes depreciation, but even if one said, "well, I am concerned only with cash", the cash figures would be between \$300,000 and \$400,000 of actual cash loss per month, though for five months it would be getting on to \$2 million in the industry. The actual cash loss for five consecutive months, not including depreciation, would run from \$1½ million to \$2 million. The trading losses, including depreciation, which I insist should be taken in, would be in the vicinity of \$2 million to \$2½ million between the termination of the deficiency payments and the end of the government's financial year.

The situation is that now all companies are running at a loss position every month. Most of them are already reaching the limit of bank borrowing, and the those few who are not are so close to it that it makes no difference. So if they cannot raise money from some other source, other than trading, then a shutdown is inevitable for all companies. The actual number of days and weeks until it happens depends on how successful people are in raising funds elsewhere and on their willingness to go on anyway despite the very bleak picture, without any government assistance whatsoever until the end of March at the earliest, and most of them feel that they might as well get out right now and cut their losses.

At the present time the fishing industry is very heavily in debt. Their bills payable are excessive, with a great percentage of the

money owing in excess of 90 days and most of the balance being due from 30 to 60 days. This is a situation which, of course, cannot be tolerated. If the creditors press for payment—and naturally they will with the industry in its present condition—it is only a matter of a very short time before the industry actually closes down.

Now, Mr. Chairman, I wonder whether the people in this house realize what this will mean to Atlantic Canada and particularly to Newfoundland. At present in Newfoundland there are in excess of 2,500 people working in factories and 1,200 employed on the trawlers bringing the fish into these factories. During the heavy seasons in the summer which stretch from six to eight months there are 10,000 people employed in the factories and some 16,000 fishermen involved. All in all there are something like 26,000 people. With dependants and back-up service, this means at least a ratio of five to one. So that you can say that one Newfoundlander in every four would be pretty directly affected. It means that 25 per cent of the people in Newfoundland will feel the drastic effects of the shutting down of this industry. This must not be allowed to happen.

Under no circumstances must the people of Canada stand by and watch 26,000 people become unemployed, with so little required to actually keep them employed. This government must provide assistance because the market prospects for the balance of this year are not bright. I stress the urgency of this assistance. Very recently I was informed that Iceland had sold considerable quantities of fish at 21 cents per pound for cod blocks to the U.S. market, and this is at least four to five cents below the actual cost of Canadian producers.

Equally, Mr. Chairman, you cannot expect firms with parent companies elsewhere to keep pouring money into a bottomless pit unless they can see some light at the end of the tunnel.

The minister will not even tell us what we can expect at the end of March, and I think it is time for him as well as for the industry to come out with a plan and with some definite commitments as to where both are going. We cannot wait until the end of March. We must come up with a long term plan in order to stabilize the industry but, as I have said, while this plan is being created we must buy time in order that there be an industry left. As I have said, in the short term time has to be bought. It has to be bought in the form of