

profit to them on the fish after paying the higher price than the Canadian canneries would have. In other words, the extra price paid for the fish amounted to about \$6.00 a case, and the extra price they got for the case was \$8.00 to \$10.00 on the top grade fish. If the fish were going over to the United States as processed fish to be sold on the fresh fish market, I do not think there would be the same objection. However, the canned salmon industry is an important part of the fishing industry on the coast, I would say it is at least 75 per cent of the total salmon business. You have to build your volume up to a certain figure to take care of overhead for operating the canneries for the season. If they go below that figure and do not reach their target then the cost of the production of each case is higher than the original estimate, and the selling price is based on a certain pack and that shows them a loss which may force them to shut down the canning industry entirely. In all other industries we are trying to process to the last degree in Canada and to get the highest price out of the product. In this particular case in selling fresh fish, this fish could be used for canning purposes. This would not apply to prairie fish that is not generally used for canning purposes, or eastern fish which are sold as a finished product. But in the case of sockeye salmon, which is used principally for canning, there should be some protection for this business in Canada, especially when we have given away concessions in the other markets because we must be in a position to compete with the United States and other countries of the world. So in this case serious injury has been done to one particular industry without any offsetting advantage to it. You mentioned that the duty on fresh fish had been reduced by one-half. I will just quote the figures for 1945 and 1946, the last available figures that I have. The landings of sockeye salmon and a variety of canned salmon in 1945 was 170,164,000 pounds, and in 1946 it was 149,676,000 pounds. In 1945 76 per cent of the fish, or 130,000,000 pounds, were used for canning purposes; and in 1946 the percentage canned was 67 per cent, or 101,000,000 pounds. The exports of fresh fish amounted to only 5,000,000 pounds in 1945 and 8,000,000 pounds in 1946.

You can see the situation of the American packer. He fixes his target, just as the Canadian packer does, to pack, for example, 100,000 cases. On that basis he charges all of his overhead, and the only costs that he has to bear on any quantity packed in addition to that are the costs of labour, material and cans. So the cost of whatever number of cases he produces above 100,000 is cheaper per case than his original estimate. If instead of 100,000 cases he can pack 200,000 cases, for the fish that he uses in the extra 100,000 cases he can afford to pay more than the Canadian cannery can up to the point of his pack. Also on the American side they have the advantage of using seines and traps, which are a cheaper method of fishing than gill netting that is used in Canada. The individual fisherman says that when the cannery uses the traps it cuts down his production and the amount he gets out of the fish. I do not know whether we can give it to them both ways, use the most expensive method of fishing and still let them sell the fish out of our market and deprive us of the advantage that we would get from it in Canada.

I want to put this on the record so that the situation would be clear to all honourable senators, in the hope that some concession might be made to the industry that would allow it to continue over the next few years till it gets established in new markets to take the place of those it is losing.

The CHAIRMAN: Would it help if the Canadian methods of fishing were made the same as those in the United States?

Hon. Mr. McKEEN: It would be very helpful, but I do not think it would be politically possible to do that. As a matter of fact, one cannery out there has a trap, and the fishermen have been fighting for the last fifteen or twenty years to get it removed.