

of declining revenues and increasing costs. This condition has prevented any expansion in the earnings of fishermen and has resulted in operating losses for the processing industry which have been so heavy that a number of companies in the Atlantic provinces have been forced to close their doors.

I would point out that this period of difficult and disappointing financial experience followed one of expansion and modernization which began in 1958. From that year, up to 1966, investments in plants and fishing vessels was quite extensive and the optimism of our people was supported by strong demand and rising prices for the products of our industry.

The reversal of this expansionary trend is not due in my opinion to any weakening of consumer demand in our traditional markets or to any significant increase in raw material supplied to those markets. The causes of the serious financial dilemma faced by the freezing and the salt fish sectors of the Canadian groundfish industry are international tensions and the devaluation of foreign currencies, resulting in lower prices in our traditional markets. In the intense competition to sell frozen fishery products in the American market, our Canadian exporters were able to hold their own in terms of quality and quantity, but our position was retained only at tremendous financial cost. In fact, if the deficiency payment program had not been implemented from May to October in 1968, there is little doubt that still more of our fish processing companies would have found it necessary to close their doors.

This situation only serves to create further unrest and concern among thousands of our fishermen and their families who must depend upon processors to purchase their production, and their concern is sharpened by the knowledge that in hundreds of fishing communities there are no alternative occupational opportunities.

The government has proposed, by taking advantage of the fisheries prices support legislation, to initiate a purchase program designed to strengthen and stabilize market prices for frozen groundfish products. There is no indication in the minister's statement of the prices to be paid, or of the arrangements which will be made to hold these stocks. I would point out that fisheries products are not wheat. We are dealing here with a highly perishable commodity, one which must be kept in well controlled refrigerated conditions. I therefore suggest that to make this program effective it will be necessary to place

Stabilization of Frozen Groundfish Market

greater emphasis upon the marketing of frozen fish. I hope the minister will enlist the good offices of the Secretary of State for External Affairs, who will be able to discuss this matter at the United Nations.

I hope, also, that he will enlist the aid of the Minister of Industry, Trade and Commerce, because if this part of the stated program is to be effective much greater emphasis will need to be placed on marketing. I wonder whether the minister has given any thought to discussing with representatives of the industry the possibility of co-operative marketing.

The minister also told us that the government proposes as a special emergency measure to make loans available to fishing and processing firms, and that it is prepared to waive repayment of these loans until after the market price for our principal groundfish products has reached a figure which will ensure adequate returns to our Canadian fishermen and to the companies involved in the groundfish sector of the industry. This particular statement is somewhat vague. I can only express the hope that the interest rates to be charged on these loans will not be so high that the means will destroy the end which the government hopes to achieve.

The minister also stated that beginning in the early 1970s frozen groundfish operations will have to be centralized in fewer growth centres. This, I hope, will not necessarily be the same growth centres used by the minister of resource development. It may well be that by using this measure to develop some of the outlying areas of the Atlantic provinces this could well be of assistance to the over-all development of the entire industry. It is obvious that in implementing any program the government's prime concern should be the price that is received by the Canadian fisherman. It should be adequate enough to enable him to provide for the needs of his family in today's inflated, high cost society.

● (2:50 p.m.)

Finally, I note that the government is preparing a study of the salt fish industry. Looking at it from the short and the long term point of view, I would recommend that the minister study the previous report made on this matter by a royal commission. I am sure he will find that very helpful. It is a very complex problem and I hope he can resolve it favourably on behalf of the fishermen and the processors. In any event, the minister has now weighed anchor and set a course. Like