

Supply—Fisheries and Forestry

to the groundfish industry. But there have been products, particularly products like lobster, crab, scallops and so on, in which price increases have been favourable to the industry and which have helped to improve the gross earnings, particularly of the fishermen concerned.

Before I turn to try to deal in detail with the groundfish problem situation on the Atlantic coast I would like to recount a few of the success stories. I would like to do this partly because the problem in the groundfish industry is one of confidence. It is a problem related to diversification. It is certainly a problem of finance in the sense that the banks and other financial institutions have been holding back. They have been less inclined to put money into the fishing industry in recent months than heretofore, and therefore I think it is important to give some balance to the over-all picture in respect of the fisheries.

Four developments have highlighted our Canadian fishing industry in the last two years. One on the Atlantic coast relates to the queen crab. This is an industry which in big dollar terms was non-existent four years ago. It involved a product which was regarded by the fishermen largely as a nuisance. Now it is being sold in increasing quantities. For example, the landings rose from two million pounds in 1967 to ten million pounds during the current year. This is up from less than one million pounds in 1966 and a negligible catch in 1965. It is a real success story. There are 20 new plants processing Atlantic crab, most of it caught in the gulf of St. Lawrence and off the east coast of Newfoundland. These plants now employ 700 on-shore workers whose annual earnings run to several millions of dollars. So here is one favourable development that relates to the Atlantic area which can be regarded as a partial offset in an over-all picture where the ground fishery is admittedly in some difficulty.

The herring fishery certainly is a success story in the Atlantic area. Herring stocks on the west coast declined rather sharply in recent years and it has been ordered that there be no more fishing for herring perhaps until 1970. Herring stocks around the world have varied considerably. They have been depleted rapidly, but not always by fishing activity. Often the reasons for the decline are biological and the stocks come back again. No doubt we are in one of those as yet uncharted cycles on the west coast. Certainly there is ample evidence that the herring is coming back.

[Mr. Davis.]

The herring fishing on the east coast meanwhile is picking up rapidly. There has been some movement of vessels from the east coast to the west coast. Certainly the catches have been heavy. There have been a number of new plants built and there have been some remarkable catches per trawler, pointing in the direction of fish gains in productivity in that particular sector of the industry.

I would now like to refer to another development on the west coast. We have had ample evidence of success in respect of restoring, improving and expanding the salmon fish stocks. The immense investment which the federal taxpayer has made in artificial spawning channels is beginning to pay off. The \$10 million Babine project is now nearing completion. Its results in respect of salmon runs in northern British Columbia should show up in the next year or two.

● (12 noon)

I have been very interested in reviewing the reports and recommendations which led to this particular program. These assessments—and I think they were hard-headed ones—on the prospective benefits in relation to the costs of that project indicated the benefits would be at least three times as great as the costs involved. This is a good benefit-cost ratio. The results may well exceed that ratio. They certainly will if we put a proper value on the salmon caught by sports fishermen where the value per fish is a great deal higher than the value attributed to fish using the commercial yardsticks.

On the east coast, and also on the west coast, we are looking forward to what I think is an imaginative and obviously encouraging development with regard to fish protein concentrate. Probably no contribution to the fishing economy will have greater effect than that of the Fisheries Research Board in this field in Halifax which has led to this very important breakthrough. It was as a result of the efforts of the research scientists in Halifax that this method of converting fish into a high quality, readily storable and easily transportable product was developed. This has been followed through by substantial pilot plant investigations in the United States. Recently a United States firm announced the construction of a multi-million dollar plant at the strait of Canso. It is to open within the next 18 months. When this plant is in operation fish protein concentrate will begin to move in commercial quantities to the markets of the world.