

Stabilization of Frozen Groundfish Market

In order to overcome this problem of a shortage of working capital, and in order to ensure adequate returns to fishermen, the government also proposes, as a special emergency measure, to make loans available to fishing and processing firms in 1969. The government is furthermore prepared to waive repayment of these loans until after the market price for our principal groundfish products reaches a figure which will ensure adequate returns to our Canadian fishermen and to the companies involved in our Canadian groundfishery.

Mid-term and long-term measures are also contemplated. Advice which the government has received from its consultants indicates that important economies can soon be achieved, both at sea and in our processing plants. Our Canadian groundfish industry will therefore be encouraged to avail itself of the financial assistance which is also available under our general adjustment assistance program. This program, as hon. members will recall, was instituted in order to help Canadian producers take advantage of growing export opportunities resulting from the Kennedy Round of tariff negotiations. Assistance under this program is available to firms which are prepared to restructure their operations in order to improve their competitive position between now and the early 1970s.

The results of this three-way approach must have an immediately beneficial effect on the frozen groundfish industry. The provision of loans under the conditions already outlined will help with the immediate problem of finding working capital. Use of the fisheries prices support legislation will strengthen the industry's hand in the market. And this, coupled with the greater efficiencies made possible through the adjustment assistance program will narrow the gap between production costs and market prices.

Looking even further ahead we must plan for greater rationalization in the industry. Certain plants will have to specialize in selected operations, and greater diversification in terms of products will be encouraged. It is apparent also that beginning in the early 1970s our frozen groundfish operations will have to be centralized in fewer growth centres. Such trends, though economically desirable, create related social and other problems. These must be resolved by taking advantage of companion programs being developed by our new federal departments of regional expansion and manpower. Also there

[Mr. Davis.]

must be close liaison with the provinces concerned.

The government, in co-operation with the industry, will continue to intensify its efforts to encourage greater use of our fishery products in both our domestic and export markets. Even a small increase in the per capita consumption of fish at home and in the United States can produce significant results. It is encouraging to note that consumption of frozen groundfish products has, in fact, been rising steadily on this continent. Also, as I said earlier, the ultimate consumer has been prepared to pay more for our fish.

There is therefore reason for optimism. This is especially true because fish stocks are definitely limited from the long term point of view. It follows that as production begins to level off, particularly in the North Atlantic, and as consumption continues to rise, prices should firm up as well.

This is why the government has decided to enter the market itself. Our objective is to firm up the price of Canadian produced fish to a level, or levels, more in line with long term trends. We believe, also, that through the operations of our fisheries prices support legislation we can help to stabilize the output of our Canadian groundfishery and achieve permanent improvements in the economics of an industry which shows every indication of being able to stand on its own feet in the long run.

This statement has dealt exclusively with the frozen groundfish industry. The government is also studying, very carefully, the problems of the salt cod industry, again from both a short and a long term point of view. As stated previously, there is now under way an examination of the possible advantages of a salt cod marketing board. I hope to be able to make an announcement regarding assistance for this important sector of our Canadian fishery in a few weeks time.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, hon. members on this side of the house listened with considerable interest to the statement made today by the Minister of Fisheries concerning the government's overall policy and program for the continued development of the fishing industry in Canada, with special reference to the development of the fisheries in the Atlantic provinces.

While we welcome the minister's belated announcement, I say to him in all seriousness that it is a statement which is long overdue. The groundfish industry in the Atlantic provinces has now experienced almost three years