

this industry is sure if the government, willfully and callously, continues to withhold the life-giving measures necessary. Failure to take meaningful action now means the end of an industry and the end of a way of life for tens of thousands of Canadians. If this end is allowed to come, the odium of it will cling to this government for all time.

I have no interest today in trying to embarrass the government or to criticize it simply for partisan advantage. I have no wish to single out individual ministers or members for attack. The question is too urgent and too grave for that. This is something of such pressing and fundamental concern to so many that it is impossible to exaggerate or overdramatize. It passes all understanding that the stark social and economic injustice of allowing this industry to die by default could happen in this oddly-titled "just society". If there is any sense of justice, if there is any feeling of compassion, if there is any plain, old-fashioned common sense left within this government, I appeal to it through the Prime Minister to act now and plan later.

● (3:10 p.m.)

As I have said, I would like to mention again the Minister of Fisheries. I believe he is genuinely concerned about the plight of the industry. I believe he feels for the thousands of ordinary Canadians so closely involved with its life or death. I believe, too, that he wants to do something to help this industry and its people. In the past we have directed the minister's attention to the problem. After all, it is neither strange nor new. In all justice it must be said that he has shown an appreciation of its importance and its dimensions. But the situation in Newfoundland is gravely serious today, much more so than the minister apparently realizes. The trouble is primarily financial. The reasons for the trouble are many. I believe that in order to bring the present picture into focus it is necessary to briefly review our fisheries background.

The most prolific groundfish supplies in the world are accessible to the Newfoundland deep sea fleet. This, as well as the natural phenomenon of the inshore fishery, when large quantities of fish come to the coast of Newfoundland during certain periods each year, means that the cost of raw material has been relatively cheap. In the case of other fishing nations, especially the Europeans, their capital investment in fishing equipment together with the long distances they travelled to get to the fishing grounds meant a much higher cost for raw material than was

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the case in eastern Canada. This in fact meant that the Newfoundland processor had, and has a considerable head start in the matter of cost compared with his competition. Our competitors, faced by this unfavourable raw material cost difference, were forced to compensate by becoming very skilled in other phases of fish processing. Whilst they became very skilled in productivity and efficiency, the Newfoundland industry went merrily on its way, partially resulting in the present state of affairs.

The undercapitalized and very segmented Newfoundland industry also paid the penalty of underutilized facilities in the form of seasonal plants in which employment was only assured for a few months each year. This resulted in attracting poor quality labour and being unable to develop the necessary skills owing to the high turnover from year to year.

The world supply of frozen groundfish exceeds demand, and even if the world catching power remains constant this situation is likely to continue in 1969 and 1970. The production by Newfoundland firms has been mainly of low value commodity items such as cod blocks, with some, through a small, effort to produce more refined and better value packs, and virtually no effort to produce the more sophisticatedly prepared and high value packs.

The reason for the difficult marketing conditions that exist is readily explainable. The world suppliers of fish and fish products, in a fit of optimism and a state of euphoria, embarked upon a massive build-up of catching power. This was commenced a few years ago for the following reasons:

1. Rising prices, which advanced in the case of cod blocks from 23 cents to 30 cents during 1965 and 1966.
2. Optimistic forecasts.
3. Increasing sales and the introduction of new products.
4. Steadily increasing consumer facilities such as deep freezers, refrigerators, etc., especially in Europe.
5. The always present theory of increasing volume in order to lower costs.

The reasons were valid and some of the build-up could have been justified. However, without any planning or consultation the world fishing industry went blissfully ahead, led by an even more blissful Newfoundland. The fishing industry in Newfoundland, because of its background and location, has been wholly production oriented. Owing to