

matter of fact, when the people from my district read that the Convention is considering putting the codfishery on a cash basis they will probably lose all confidence in the Convention from then on, for the idea of putting it on a cash basis is blasphemy to them. Let us think of the economy that would be affected if it were possible to put the codfishery on a cash basis. Let us say that an important wholesaler needs credit, I presume he goes to the bank and gets credit. Presumably he pays whatever the bank's usual charges are, and these naturally are tacked on to the cost of his goods. Now that wholesale merchant has to deal with a smaller retail merchant somewhere in the outport, and he has to give this particular man not only six to ten months credit (because very few of them are in a position to buy for cash), but in addition to waiting for payment for his goods he has to undertake considerable risk as to whether he will get paid for it or not, therefore the cost of credit under such circumstances is fairly high. In turn the smaller businessman, who has secured credit from the wholesale merchant, lets out these same goods to your average fisherman, again on possibly six months credit, and again taking considerable risk as to whether he shall within six months or ever be paid for these goods. All these credit charges have to be tacked on to the cost of the goods, and must therefore be reckoned when we are considering the cost of production of salt codfish, because the cost of living of the individual in the primary enterprise must be reckoned in the cost of production. Now if we consider what all that means to our economy, and what a difference between prosperity and the opposite for a great many people in the fishing industry this means, we begin to see just how important this sentence is: "We suggest that consideration be given to the idea that the codfishery be placed on a cash basis". That's a very important point, and I would hate to see it passed over without due consideration. As I say, the Committee did not have the temerity to suggest how it should be done. It is a pretty tough problem, one of the main problems of our fishing industry, that is our codfishery. A great many abuses that exist today from every side are tied up with the same thing. A little while ago we were discussing the supervision of codfish that's going to be exported, because if we are going to stay in the markets we have to have a good quality, and look,

if a fisherman comes to me, an outport merchant, and gets a supply for the fishery and pays for it in cash, it's no business of mine what kind of codfish he produces, or whether he produces any or not—but it's definitely his business. He has paid his account in cash and is depending on the sale of his codfish to provide himself with a living through the ensuing months when the fishery is over. It is to his best interests to produce the best quality—otherwise he will not dispose of it.

I have never been in the salt codfish business, but I know a good many who are, and many of them have reiterated that if a man comes along who has a credit account of \$2-300 and has 60 or 70 quintals of fish to dispose of, and he has the codfish which is in place of cash, the natural feeling is to say, "I am sorry I can't take that fish at the price you want for it." Usually he has been fortunate enough to get the money for it somewhere else, and the other man has to whistle for it. Personally I hate the sound of the words "credit system", and I think whether or not we can put our codfishery on a cash basis in the coming years will determine whether or not the codfishery can become a paying proposition. I congratulate the Committee on bringing this to the attention of the Convention.

Mr. Job The fresh codfish business *has* been on a cash basis, and one of the things the Committee had in mind was the possibility that the purchase of codfish might eventually be made for cash, which would mean that the plants, or the operators, would have to make arrangements for curing the fish, and then the question arose as to how much more is it going to cost to cure fish in that way than when a fisherman cures it himself. That's a question which requires very careful consideration, but that would be the ideal sort of arrangement. It is made a little more encouraging now by the fact that if you can bring the fish into one locality you will largely increase the value of your by-products, especially the offal for fishmeal. That's one of the things the Committee had in mind. It is a very difficult matter, and one that has to be enquired into. It is easy to put it on paper, but not so easy to carry it through.

Mr. Newell With regard to the cost, I know one group who went into this, and it was their estimate that in a great many instances practically 30% to 35% of the cost of consumer goods which the fishermen used could be charged to credit