an even more severe economic burden on the state than it does in other, more heavily industrialized areas. Out-of-work fish plant employees are all too likely to remain unemployed here, whereas in the neighboring state of Massachusetts, where fish processors have also been hard hit, this labor force is much more easily absorbed by a far greater number and variety of industries.

CAUSES OF THE CRISIS

There is a single basic reason for the crisis which now faces Maine's (and much of the nation's) commercial fishing industry: there is no possible way for the unsubsidized domestic product to compete with a highly subsidized imported product.

To what degree are these nations which are shipping more and more fisheries products into the United States subsidizing their industry?

One detailed answer should be sufficient. Take the case of Canada, which represents the most serious threat to our domestic industry. Canada's Atlantic Coast fisheries are receiving subsidies from the federal government and from the various provincial governments. There are subsidies and other special benefits for vessel construction, for plants and quipment, and even, in the case of some species, for the fish itself.

Specifically, federal subsidies are provided for fishing vessel construction; some provinces also provide a direct "bounty" for vessel construction, or interest-free loans with no date for repayment; federally guaranteed loans for vessels are also provided; federal insurance for fishing vessels is available; and provincial insurance plans are in some cases even more liberal. Processing plants can get both federal and provincial guaranteed loans. There are also provincially operated collection points and freezers. Finally, during 1967, the Province of Quebec introduced a compensation payment (or subsidy) to fishermen and boat operators for cod, ocean perch and sole which is processed in Canadian fish plants. (See Appendix A).

The above information is spelled out in detail in a publication of the Organization for Economic Co-operation and Development titled: *Financial Support to the Fishing Industry.* This publication sums up the Canadian program as follows: "On the Atlantic Coast, a large number of support schemes on a federal as well as on a local scale, are in operation and the net federal and provincial government expenditure is relatively high." It concludes by noting: "Apart from canned salmon . . . almost all exports of fish products are sent to America: the main example is the export of fresh and frozen fish which are totally taken by the United States."

With subsidies and assistance programs of this magnitude, it is not surprising to find a major New England seafood dealer complaining in a national publication that Canadian fish fillets are being imported into the United States for only 43¢ per pound, while it costs him 72¢ per pound to produce the same product. Likewise, it is not surprising to find canned sardines, F.O.B. Canada, quoted at $7.90 a case, while it costs Maine sardine canners $9.90 to pack the same product.

In addition to all this, of course, Canadian fish producers and processors have other advantages as well. In some instances, less strict government regulations permit Canadian processors to pack fish which could not be packed by our domestic industry. As in the case of Canadian sardines, these inferior quality items are then marketed in underdeveloped countries. Furthermore, Canadian firms precent enjoy a 7½ cent advantage in the rate of exchange on United States funds over Canadian. Finally, there is evidence that a number of Canadian fisheries products have recently been sold on the United States market for prices which are lower than those charged in the Canadian market, even though this appears to be a clear violation of the so-called Anti-Dumping Law. The strategy behind this appears to be to force domestic fisheries firms out of business, leaving a clear field for Canadian companies who could then charge whatever the traffic would bear for their products.

An extremely clear picture of the effect of Canadian imports on one segment of our domestic industry may be seen in the case of the ocean perch industry. Statistics show (see Appendix B) a steady decline over the past five years in domestic ocean perch landings, while Canadian ocean perch landings show an almost exactly corresponding increase. At the same time, prices for ocean perch fillets during this same five-year period on the domestic market have also shown a steady drop—a 4½¢ decrease for one-pound boxes, and a whopping 9¢ decrease for five-pound boxes. Even a quick glance at the figures in Appendix B shows