

Hon. Mr. McRAE: At the moment there is a dual control: the province handles the licences of the canneries, while the Federal Government handles the fisheries.

Mr. FOUND: The province also imposes a direct tax. On a salmon gill net the federal fee is \$1; the provincial tax, \$2.50. On a salmon purse seine licence the federal fee is \$20; the provincial tax \$25. On a drag seine the federal fee is \$20; the provincial tax, \$25. On a trap net the federal fee is \$50; the provincial tax, \$100. And so on all through the fishing.

Hon. Mr. McRAE: It is another case of duplication of control and taxation as well.

The CHAIRMAN: Has the authority of the Dominion ever been tested out?

Mr. FOUND: Oh, yes. The legal standing has been determined.

The CHAIRMAN: Both the Dominion and the province have authority to tax?

Mr. FOUND: Yes, sir. The province has authority to tax under property and civil rights.

The CHAIRMAN: I was wondering whether the Dominion, in the interest of the country as a whole, could put on a tax.

Mr. FOUND: They can tax anything they want to, but under the law the administration of the fisheries in tidal waters is exclusively a federal function. As an administrative measure the Federal Government can charge fees for the control of those fisheries. You can call those fees a tax if you like, but that is not done under the ordinary taxation process. Over and above that, it becomes a matter of policy.

There is dual control, in that we must regulate the fisheries, no matter where they lie, even in a private lake; but the administration of those fisheries in non-tidal waters is provincial matter; in tidal waters it is federal.

Hon. Mr. McRAE: Do you not think the administration is greatly weakened by the advent of the province into the picture? To put it another way, I will say I think it is, and will ask your opinion.

Mr. FOUND: As a matter of administration dual jurisdiction is certainly not satisfactory, and is costly.

Hon. Mr. McRAE: Have you any idea, Mr. Found, as to improving the revenue from those fisheries so that there will not be such a heavy drain on the treasury?

Mr. FOUND: The fishing industry at the present time does not seem to me to be in a position to stand any more exactions than it is now bearing, keeping in view provincial taxation.

Hon. Mr. KING: And it would not be wise—

Mr. FOUND: Our fees are largely nominal. We are bearing all the expense, but the revenue is largely provincial.

Hon. Mr. LITTLE: In 1919 the expenses were \$532,000, and the revenue \$270,000. Last year the expenses were \$598,000, and the revenue dropped to \$26,000. It does seem ridiculous.

Hon. Mr. TAYLOR: That is because the Government used to exact a \$5 fee from every fisherman.

Hon. Mr. LITTLE: But the Federal Government has become very lenient, and every time it has stepped down the province has stepped up.

Mr. FOUND: We had a big cannery licence fee, and a case tax fee.

Hon. Mr. McRAE: The revenue has got down to an average of about \$25,000 a year. The Federal Government might as well be carrying on gratuitously. It is an absurd situation.