

Report of Special Fishery Commission

Valuable Report Shows Salmon Conditions of Northern District of Province—Too Many Canneries in North—Necessity to Conserve Supply of Salmon—Important Tabulations and Valuable Information.

The Report of the Dominion Special Fisheries Commission that sat in the Province last summer, has been issued. The Commission was an able one, and has issued an exceedingly comprehensive and valuable report on the salmon fishery of the Northern section of the Province. One that demands the attention of the authorities in Ottawa and those interested in the industry and the general public as well. It adds force to the demand made at the time of its creation that the Government should have included all the salmon fisheries in the scope of its investigation, and not confined so able a body to a study of conditions in only one section. Had it done so, it would not have been manifest at the recent British Columbia meetings of the American-Canadian Fisheries Conference that the Dominion Government lacked adequate data on the salmon industry of the Fraser, but was obliged to rely upon that published by the Provincial Fisheries Department, to sustain Canada's position on that vital question. A report on the Fraser salmon question, such as that now under review, would have added strength to Canada's position, notwithstanding the force and logic of the case submitted by the Province, at both the Seattle and Vancouver meetings of that International Conference. The report contains many diagrams to sustain its arguments that are original, readily grasped and valuable to both canners and financial houses.

Of these we commend the "World's Salmon Pack, 1910-1916," "Export and Domestic Distribution of the United States and Canadian Packs," "British Columbia Canneries Operated, 1876-1916," "Opening Prices for Canned Salmon, 1897-1917, and Comparison with General Wholesale Prices," and "The Salmon Pack of District No. 2.

"The World's Salmon Pack 1910-1916," shows that in those years the United States packed 81.8 per cent. or 33,791,470 cases, British Columbia 15.3 per cent. or 7,299,757 cases, Siberia 2.3 per cent. or 1,097,209 cases and Japan, in three years, 1914-1916, packed 1 per cent. for those three years. The United States has a protected domestic market for 72.5 per cent. of its enormous pack and exports only 27.5 per cent. British Columbia on the other hand places 72.8 per cent. of the pack on the export market, the domestic market absorbing only 27.2 per cent. It is further noted that the 27.5 per cent. of its pack export of the United States represents about twice as many cases of salmon as the 72.8 per cent. of British Columbia's export. In other words the export of the United States are one and a half times as great as the total British Columbia pack.

These conditions give the United States the dominating position, the determining factor in making export prices. The export prices sets at least the minimum for domestic prices in Canada, and demonstrates that Canadian canners do not control the market. Great Britain has the market for by far the greater part of the exportable surplus of Canada and the United States.

In the "Opening Prices for Canned Salmon" the Commission show that from 1897 to 1902 inclusive, the price per case for sockeye ran from \$3.20 to \$4.00. In 1903 a new level was established at \$6.00 per case. That average was maintained up to 1912, when sockeye opened at \$7.80. It dropped to \$6.00 in 1913, because of the great pack on the Fraser that year. Rose to \$7.80 in 1914 and 1915, and to \$8.10 in 1916. In 1917, owing to the almost complete failure of the sockeye run to the Fraser, the price ad-

vanced to \$11.60. The statement shows clearly that every fourth year the great catch in the Fraser had dominated the world price. It is shown that "the prices are not subject to artificial manipulation by canners, but are determined by the course of general prices modified naturally by relative quantities produced."

The Commissioners find that there are more canneries and more machinery in the northern district than are required to deal with the fluctuating supply of salmon. They show that the canneries on the Skeena and Naas Rivers and Rivers Inlet in 1916 could have put up the entire pack in less than nine days of twelve hours each, indicating an over-equipment. Thirty-three canneries in the north showed a fixed investment of \$3,492,000, while the sales amounted to but \$4,193,000. If other investments and borrowings of working capital were taken into account, the turnover appears less than the capital employed.

"The most general of all the determining conditions," the report says, "is that which arises from the necessity of conserving the supply of salmon. If enough fish are to be allowed to pass up the rivers to seed the spawning beds, then only a certain number of fish can be allowed to be caught. Restriction is now imposed in various ways, and public policy must insist on fixing some maximum limit to the catch. If equipment becomes too great, either because new canneries are built or because the plants in existing canneries are enlarged, it is not within the power of the canners by any enterprise or industry to correspondingly increase the supply of material. One canner may take business from another canner, but the industry as a whole must face diminished efficiency with its rapid rise in costs."

The report concludes its review of the Canning Industry with these forcible words:

"It is, in our judgment, a clear public duty, not merely to conserve the supply of salmon at its present proportions, but to increase it until each year reaches the economic maximum; and it appears to us equally clear that all the conditions surrounding the industry should as far as possible be stabilized, and the inefficient use of capital and of labour obviated or prevented. This would leave to be faced the problem of possible excessive profits to individuals. But the solution of this problem would not seem to be found in encouraging or permitting the employment of more capital or more labour than can efficiently perform the work. This would not result in dividing up the profit among more individuals, but in destroying all profit; for there is nothing more clearly demonstrable than that, with a limitation on the yearly catch, the unnecessary increase of equipment dealing with that catch must, under the special conditions of this industry, increase costs so fast that only loss can ensue. The public interest can be better served in other ways. The privilege enjoyed by those who fish in tidal waters is not only fundamentally a public right, but the public stands related to the industry as taxpayers and as consumers. If costs become too great all hope of advantage to the public as consumers will disappear. As federal taxpayers, the public now contribute something like \$135,000 a year over and above what is collected from the fishing industry by license fees, and larger sums must be expended in the future. In return for the establishment of conditions that are stable and economically sound, the industry should, in our opinion, contribute to the public treasury through graduated license fees or taxes that proportion of its profits which is in excess of a reasonable return for capital and enterprise. We have not attempted to work out the details of the system by which this end should be accomplished, and until the full extent and nature of special war taxation is developed, it may not be practicable to decide what should be the permanent system. But it should be distinctly understood that the recommendations we make