

Act, 22-23 Geo. V, c. 42.) The expenditure of the Dominion on the fisheries in the fiscal year 1940-41, including departmental administration, etc., was \$2,226,909 (including expenditures in connection with the Pacific halibut and Pacific salmon commissions) and the revenue \$329,060.

Conservation.—River and lake fisheries certainly, and sea fisheries probably, if left to themselves conform to the economic law of diminishing returns. The Canadian Government, accordingly, has had for a main object the prevention of depletion by the enforcement of close seasons, the forbidding of obstructions and pollutions and the regulation of nets, gear and fishing operations generally. In addition, an extensive system of fish culture has been organized; the Dominion, in 1940, operated 13 main hatcheries, 1 subsidiary hatchery, 6 rearing stations, 7 salmon retaining ponds and several egg-collecting stations at a cost of \$170,649 and distributed 27,931,845 trout and salmon eggs, fry and older fish in suitable selected waters. Investigations and experiments, begun in 1929 by the Dominion Department of Fisheries and the Fisheries Research Board (the latter formerly known as the Biological Board), have led to the successful establishment of commercial oyster farming in Prince Edward Island and Nova Scotia. Control of the oyster areas in these provinces was transferred to Dominion authority by the Provincial Governments. In the other oyster-producing provinces, New Brunswick and British Columbia, control of the areas is in provincial hands, except on a small strip of the New Brunswick coast where areas have been transferred by the Provincial Government to the control of the Dominion Department of Fisheries in order that investigations directed to the establishment of oyster farming might be carried on.

Direct Assistance.—A system of broadcasting radio reports to fishermen as to weather probabilities, bait and ice supplies, and ice conditions was established several years ago on the Atlantic Coast, where conditions attending fishing operations make such a service desirable. The service was carried on through the co-operation of the Department of Fisheries and the Radio Division of the Department of Transport. On the outbreak of war, however, it was necessary to modify this service but it was continued on an altered and limited scale during 1940-41.

As another step in direct assistance to the fishermen special instruction in improved methods of fish handling, fish curing, etc., has been carried on for some time by the Department of Fisheries. A main feature of this instruction is the work of specially qualified men who are sent to different fishing communities to aid the fishermen both by advice and suggestions and by demonstrating particular methods of operation.

Special action to meet the emergency created in the lobster industry by the loss of European markets for canned lobster as a result of the War was taken by the Government during 1940-41 when a plan commonly called the 'Canned Lobster Control Scheme' was put into operation. Briefly, this plan sought to develop in North America a market for the Dominion's canned lobster output which, in peacetime, had been sold mainly in Europe; normally, the European markets, principally Great Britain, had been the outlet for 80 to 90 p.c. of the production. The effect of the control scheme was to stabilize conditions that had threatened to be chaotic and, by means of advertising within Canada and other sales promotion steps in the Dominion and the United States, so to expand the demand for canned lobster in the two countries that the canners were enabled to find sale for all their pack in these markets that previously had used only relatively small quantities. The cost of the advertising campaign was approximately \$50,000.