

Newfoundland on that point. We have received from Quebec twenty-two applications; from Nova Scotia, seventeen; from New Brunswick, one; from British Columbia, eleven. We have received no applications for whaling privileges in Hudson bay.

Mr. GOURLEY. Of course any controversy there is as to the jurisdiction over Hudson bay is between the government of Canada and the government of Newfoundland. There is no question at all as to British jurisdiction.

Mr. PREFONTAINE. None at all. There are some parts of Hudson bay about which there is correspondence at the present time with the Newfoundland government, but as regards Hudson bay proper, there is no doubt at all that it is under Canadian jurisdiction.

Mr. GOURLEY. Quite so.

Mr. PREFONTAINE. The following amendment has been suggested, after the words 'nine years' in the section:

Provided always that the licensee shall be entitled to have the said license renewed from time to time for periods of nine years, upon giving six month's notice thereof in writing previous to the determination of each period.

Those engaging in the industry may have to spend \$50,000 and more, so that if they were exposed to have their licenses taken away without cause after nine years, it would be a bar to their engaging in the industry.

Mr. CLANCY. I see that \$1,200 is the maximum license fee and although the industry might be found to be very profitable, you do not provide for charging a higher fee on the renewing of the license.

Mr. PREFONTAINE. There is a provision in subsection 5:

Provided that the Governor in Council, after the first two years, may exact, in lieu of such fee, a sum equal to 2 per cent of the gross earnings of each factory.

This will amount to a very much larger sum than \$1,200.

Amendment agreed to.

Mr. HAGGART. How are these licenses to be awarded—by priority of application upon the conditions being performed by the applicant?

Mr. PREFONTAINE. Priority is always taken into consideration.

Mr. HAGGART. Does the minister understand the effect of the other amendment? Is the renewal of the license forever, in periods of nine years, upon the performance of the conditions? The renewal should be optional with the government, and the government should be able to change the regulations and conditions.

Mr. PREFONTAINE. We might change the word 'shall' to 'may.'

Mr. GOURLEY. I think the Act should go further. If a man invests a large amount of capital in the industry, it should not be discretionary with the government to renew the license or not.

Mr. MORRISON. It seems to me that the hon. member for Colchester has struck the exact point which the minister intended in the first amendment; that is, when a licensee invests all the way from \$60,000 to \$100,000, it is only fair that he should have some claim to a renewal of his license after a period of nine years. Under the remarks of the hon. member for South Lanark (Mr. Haggart), that claim would be taken away, and the government might arbitrarily refuse to renew the license, and the man's whole investment might be swept away.

Mr. GOURLEY. I agree with the hon. gentleman. I think the party who has invested his money should have a choice.

Mr. PREFONTAINE. I would like the committee to remark also that by the provision of section 5 the government is well protected because there it is provided that the Governor in Council after the first two years may exact, in lieu of such fee, a sum equal to two per cent of the gross earnings of each factory, which shall be payable as aforesaid. If the industry proves very important and increasing, we can apply section 5.

Mr. GOURLEY. I think you will really deter people from going into the industry if you only give them nine years.

Mr. HAGGART. Under the clause as the minister proposes, it is a lease in perpetuity, renewable every nine years, upon the party performing the conditions. The remedy which the minister says he has under clause 5 is no remedy against the individual at all. The remedy must apply to all the parties who will fish under these regulations. It must be a general regulation.

Mr. PREFONTAINE. If these words were out, you would put this industry entirely in the hands of the Governor in Council without taking into consideration at all what has been the investment, and that might deter capitalists from investing at all in the industry.

Mr. CLANCY. I suppose the assumption is that the Governor in Council will exercise its power. Or does the hon. gentleman propose to give up that power and give a lease in perpetuity? The committee will assume that at the end of each period the government may take such action as will be just to those engaged in the industry and in the interests of the country. To give a lease in perpetuity would be to give up absolutely that power which ought to reside in the hands of the executive.