

Supply—Defence Production

We are not the only people who feel this way about the matter. I am looking at an editorial in the *Winnipeg Tribune*. I am not going to read it, Mr. Chairman, but it points out how ridiculous this situation is. It indicates the position that would arise if the Steel Company of Canada should suggest that now that the minister is controlling some phases of the operation of Algoma he might also be interested in becoming a director of Stelco. We can see how ridiculous that situation would be.

There is no doubt that in addition to the legal arguments that have been made there is a grave problem of principle. This problem might easily be overcome without any sacrifice of the prestige or the position the minister holds by a simple renunciation at this time of his position as executor of this estate.

Mr. Michener: Mr. Chairman, before dealing with one aspect of this problem with which the committee is now engaged I should like to ask the parliamentary assistant if in the will there is any limitation on the appointment of the minister as an executor.

Mr. Dickey: My understanding was that the reason the minister's name was placed in the will as an executor was stated in the will, and that he was to perform the functions indicated.

Mr. Michener: He was named as one of the five executors without any special or limited duties?

Mr. Dickey: By a separate codicil, not in the will itself where the other four are named.

Mr. Michener: I submit if there is any limitation or special provision which differentiates his position as an executor from that of the other four it would be relevant to have that clearly on the record so the limitations of that position would be clear to the committee. I am not proposing to speak about the minister's responsibilities as an executor. They have been discussed at length. It is clear what an executor's responsibilities are. It is also clear that the estate has the controlling votes with respect to the corporation in question, the Algoma Steel Company, and that the controlling votes have the power to elect the board of directors. Whether or not the executors are directors, they have the power to name directors at the annual meeting each year, and perhaps the power to recall directors in the course of the year if the bylaws so provide.

But I should like to call the attention of the committee to the other role which the

[Mr. Hamilton (York West).]

minister has been occupying for a great many years and is engaged in at the present time, in order to point up the possibilities of conflict, whether or not in fact they arise.

It seems to me that the standard of conduct of a minister was sufficiently defined in the debate last year. I recall that a great many definitions by statesmen of the past and present were put on the record. We have heard today from the hon. member for Winnipeg South Centre, so there is no need to repeat the discussion of the standard of conduct. It really amounts to this, that the important thing is to avoid even the appearance of conflict in the discharge of public duties.

The matter I wish to bring to your attention, Mr. Chairman, is the position in which the minister stands with a number of commercial corporations which are agencies of the crown. There are in fact 14, as has been said today, that are responsible directly to this minister, five of them in his capacity as Minister of Defence Production and the others in his capacity as Minister of Trade and Commerce. One might take two or three of them at random to see the scope of the activities of these corporations and how their affairs might impinge on the affairs of some commercial corporation like Algoma Steel. One might very well begin with the Canadian Commercial Corporation. I have its report here for the year ending March 31, 1956. On page 5 the report states:

The purposes of the corporation are to assist in the development of trade between Canada and other nations; to assist in the disposal of goods and commodities that are available for export from Canada; and, when requested, to act for the Minister of Defence Production and others in the manner provided by statutes of Canada.

That is the minister whose estimates we are now considering. That corporation carries on very extensive operations. Its balance sheets are set forth in the report, showing assets of \$147 million at the end of the fiscal year 1956, and also recording its transactions for the year.

Then the next corporation that I think is worth while considering in this connection is Defence Construction (1951) Limited, whose annual report for 1956 has just been received by the members. This corporation, as its name indicates, does work for the national defence department and it sets out in its report the contracts it has awarded during the year under review. On page 5 the report sets out that 773 new contracts were awarded which, together with change orders issued, had a total value of \$143 million. That was a sizeable volume of business, and it is business of a character which undoubtedly brings it into business relationship with