

Inquiries of the Ministry

using the letterhead of Aurora Leasing Corporation with a Toronto address, wrote to Canadian National Steamships expressing interest in the acquisition of these vessels. They were informed at that time that the ships were not then for sale. The same individual addressed a further letter to the Canadian National in May, again expressing interest. A copy of this letter was also sent to me and an acknowledgment was sent from my office. Subsequently a decision was reached to put these vessels up for sale, and when the Canadian National issued its public advertisement inviting tenders, a copy of this notice was specifically sent to Aurora Leasing Corporation, along with a number of other companies which had indicated interest in possible purchase.

Officials of the Canadian National informed me that in response to this invitation to tender no reply was ever received by Canadian National Steamships from either Aurora Shipping Company or Aurora Leasing Corporation, nor did any official of the company come to discuss the matter with officials of Canadian National Steamships concerned with this matter.

However, on July 7 the same individual wrote me again, indicating interest in this matter if the government would be prepared to pay a subsidy for operation of the service. In my reply, dated July 23, I stated that it was not the policy of the government to subsidize vessels in this trade, but that if the company were interested in purchase they should contact Mr. Bromley, of Canadian National (West Indies) Steamships, in Montreal, as the disposal of the ships was being left in the hands of the company. There is no record of any attempt to get in touch with Canadian National Steamships subsequent to this.

As regards the reported offer of \$3 million from this company, as of this morning a letter was received by my department from the Aurora company asking if the government would be prepared to consider such a sum, but containing no other details. My announcement of the sale of these vessels was made in this house yesterday morning, August 12. This further letter from the Aurora corporation was dated August 12, and the envelope containing it, which I have here with me, was stamped at 9.30 p.m. in Toronto. Hon. members may, I think, draw their own conclusions from this.

Some hon. Members: Oh, oh.

Mr. Chevrier: May I ask a supplementary question after all that applause, and it is this. Did the minister receive an offer of \$5 million from this firm in Toronto?

[Mr. Hees.]

Mr. Hees: I would repeat that no specific offer was ever made to the Canadian National by this company in response to the Canadian National invitation to tender which was sent to them. However, I understand that what this company contemplated in any case was not a genuine purchase, but rather an arrangement under which the company would purchase these vessels, the government would then lease them from the company, and would be required to underwrite the whole project financially, not only by agreeing to lease the vessels but also by agreeing to pay a substantial subsidy for their operation.

Mr. Chevrier: Mr. Speaker, the minister has certainly come into the house well prepared.

Some hon. Members: Oh, oh.

An hon. Member: You could take some lessons from him.

Mr. Chevrier: No. I do not think I need to take any lessons, particularly from the Minister of Agriculture, in view of the fact that he fires people without giving them a hearing.

Mr. Speaker: Order.

Mr. Harkness: I did not say a word, but I think the hon. member could still take some lessons.

Mr. Chevrier: The remark came from that direction, and the minister makes so much noise that I had reason to suppose he was the one who made it.

Mr. Harkness: Wrong as usual.

Mr. Chevrier: If the minister is so anxious to give information, would he be good enough to table the correspondence that took place between Canadian National Steamships and those tendering with reference to the sale of these ships?

Mr. Hees: Mr. Speaker, I do not know about the ethical procedure in this regard, whether all correspondence between a company such as the Canadian National and all those tendering should be made public. I will discuss the matter with Mr. Donald Gordon, and if they are willing and it is possible I shall be glad to do so.

Mr. Chevrier: May I ask a further supplementary question. Would the minister tell the house whether the purchaser, whose name I understand was Flota Maritima Browning, includes any Canadian citizens, and whether directly or indirectly there is Canadian ownership in the purchaser's corporation.

Mr. Hees: Mr. Speaker, I do not know whether they are or are not.