

Supply—Defence Production

that parliaments and the public have generally recognized that the interest of the state takes precedence over any other interest a cabinet minister might have, and it is important to bear that in mind. It is important to review that from time to time.

The practice in England, from what I have read about it, is that the Prime Minister takes an interest in the matters in which members of his cabinet may be privately interested, and ensures that there shall be no actual or apparent conflict of interest between their public duty and anything that concerns them privately. That is a fundamental principle with regard to cabinet government.

I think in this particular instance before us the Minister of Defence Production has to examine his position very carefully and consider whether or not a conflict of interest might arise. If there is any possibility that a conflict of interest might arise, I should think his duty would be to divest himself of any obligations that would result in any conflict of that nature. If all ministers of the crown kept before them this fundamental principle there would not be any shadow of suspicion in the minds of the public with regard to anything that was being done by ministers of the crown as such. The feeling would be that they were devoting their whole time and their whole attention to the welfare of the country at large, and that they were not permitting anything in the nature of their own private interests or the private interests of friends of theirs to interfere with their public duty. It is on that basis that I think the minister should consider his present situation.

Mr. Hamilton (York West): Mr. Chairman, ordinarily back here I think we feel a great desire to take part in debates and we find that on a great many occasions we do not seem to have the opportunity. I must say that today I approach this particular task with considerable reluctance. I should like to borrow an expression that is often used by the hon. member for York-Humber, that I approach this job more in sorrow than in anger.

There is a rule, I think, or legal principle that testators cannot rule succeeding generations from the grave. As a matter of fact our laws have been designed to ensure that that does not happen. We have heard of estates being tied up for the lives in being and 21 years thereafter to ensure that no matter how much certain people wished to carry out what they thought were the testator's wishes, there was a restriction upon their position.

I have listened today to the senior member for Halifax and the minister, and it seems to me that they are trying to convey to the house that there is some type of overriding moral obligation on the minister to the late Sir James Dunn. I do not feel that there is either a legal obligation or a moral obligation. I would rather imagine that the testator, had he known the real and true position in which he was putting the minister today, would not have inserted his name as one of the executors and trustees of his estate. I might say that there is a provision for the renunciation of the duties that fall upon an executor or trustee, but that renunciation must be before or at the time of the application for probate.

I say to the senior member for Halifax, as the hon. member for Peel has said, that once the oath is taken the duties are not divisible. Once the oath is taken the responsibilities are there, and I do not feel that you can divide your job as executor and trustee of an estate. I listened to the senior member for Halifax talk about who runs the company and about the directors, and I want to tell him it is very elementary that in actual fact the operations of a company are controlled by the shareholders.

Mr. Richardson: Not at all.

Mr. Hamilton (York West): We will have the opportunity to hear from the corporation experts on the other side of the house. The ultimate authority for the operation of a company rests with the controlling shareholders. I wonder whether the minister is a shareholder. I do not think there is any doubt that under the devolution of estates act upon the death of a testator the full benefit of the shares goes to the executors and trustees. There may be a mechanical requirement, an application for transmission of the shares, but I would assume that in this case even that has been done. I would say that at that time not only are the shares vested in theory but they are vested in fact, and I would not doubt that at this very moment the controlling block of shares in the Algoma Steel Corporation and the share certificates that represent that control read in the names of the executors and trustees of the estate of Sir James Dunn. I would say that in that case the minister is the actual owner of shares in that company.

We have heard a lot about people being directors of companies. We have even asked in this house that a member of the treasury benches resign his office as a director, and I would not doubt that he only owned one share. Here is a case where the shares are vested in a minister who has the right to elect and remove directors and to control the fortunes of this company.