

Act. On the other hand, the Commodity Prices Stabilization Corporation and the Canadian Sugar Stabilization Corporation were incorporated under the Companies Act pursuant to the powers granted to the Minister of Finance under the War Measures Act.

Mr. MACDONNELL: Do you think that these companies were incorporated under the Dominion Companies Act just because it was the most convenient way of doing it and any other way would have been more cumbersome; or, do you think that there was a definite feeling that these very wide powers were necessary—was it a case of giving a man a job and not keeping his hands tied when doing it—do you think that was the reason for the decision where these wide powers were needed?

Mr. BALLS: I would not, of course, sir, know what the incorporators had in mind, what the reasons may have been for the incorporation in that form, but I would assume that it was a convenient device to cause the incorporation of these companies because they were urgently needed at the time they were created. I might add one point in connection with these companies and that is that they were all, I believe, incorporated after an Order in Council was passed authorizing the minister to enter into an agreement with the company concerned to carry on certain specified functions and that agreement clearly set forth the powers and responsibilities and the extent of the operations involved.

Mr. MACDONNELL: Am I to understand then that in such cases the main purpose was in fact to give these companies those wide powers? Is there any objection to seeing one of those agreements?

Mr. CLARK: Mr. Henry will speak to that, Mr. Chairman.

Mr. MACDONNELL: You know what Mr. Balls said about these powers or understandings or instructions embodied in departmental memoranda to these companies. I would like to know whether those things in effect superseded or became in effect their powers in lieu of the powers herein?

Mr. HENRY: No, sir. The powers in The Companies Act would be superseded only in so far as the charter of the company altered them. That, I take it, is ordinarily provided for in the statute, such as the Munitions and Supply Act which authorizes the company to be incorporated at the instance of the minister. At any rate, most of the ancillary powers of the corporation would be found in The Companies Act and the general powers would be found in the Letters Patent which incorporated the company.

Mr. MACDONNELL: Did I understand Mr. Balls correctly as saying that there was a third document which also contained instructions and understandings?

Mr. HENRY: That is quite correct, because the Munitions and Supply Act provided that the minister could delegate certain powers to the company. That was the reason the company was to be formed; and the minister would accordingly enter into an agreement with the company after it had been formed, setting out the scope of its powers.

Mr. MACDONNELL: Yes, the company would be the agent.

Mr. HENRY: The company would be an agent, yes. But the minister did not delegate all his responsibilities; only the functions which the minister wanted the company to perform as his agent. So, of course, they must be specified.

Mr. MACDONNELL: In order to set up an understanding between the minister and his agent?

Mr. HENRY: Yes, sir, and the incorporation of the company was done just to bring a legal person into being so that the minister could make an arrangement with it.

Mr. SINCLAIR: Mr. Chairman, it is now 1.00 o'clock.