

Supply—Defence Production

minister as minister of two departments of this government and as a senior member of the government as a whole.

The first area of conflict is in the matter of the evaluation of the estate assets and settlement of succession duties, and payment of income taxes on the revenue from the property before there is final distribution. This is one of the largest, if not the largest, estates in the history of Canada. As such it is going to be liable for very substantial succession duties, duties owing to and exigible by the Department of National Revenue, duties which it is the obligation of this government, exercised in this case through the Minister of National Revenue, to assess and collect at the largest amount properly assessable and collectible as against this estate.

As executor and trustee, however, Mr. C. D. Howe is under the obligation of negotiating with the Department of National Revenue, one of the departments of this government, to ensure that the duties assessed and collected are the minimum which can properly be held to be due on this estate.

Sir, the very statement of the position—a department of government whose duty it is to collect the maximum properly collectible, and an executor whose duty it is to see that the smallest amount properly payable is in fact assessed and paid—the statement of that position reveals at once the conflict of interest.

Secondly, there is a conflict of interest in that one of the executors of the estate is also the Minister of Defence Production and Minister of Trade and Commerce of this government. It is an inescapable fact that the policies of those two departments and the practices followed by those departments in the exercise of those policies are going to have an immediate bearing and effect upon the welfare, the revenues and the incomes of the estate of which he is an executor.

The Department of Defence Production, as the agent in its capacity described earlier by the hon. member for Eglinton, the purchasing agent particularly for the defence department and some of the other departments of government, is through its policies going to have a very direct bearing upon the future of the steel industry and the related industries of Canada. As Minister of Trade and Commerce—and I shall deal with this in more detail later—but particularly as the minister responsible for the trans-Canada pipe line and other related aspects of the economy of Canada, his policies and the policies of that department under him are going to

have a bearing upon the future conduct and welfare of the Algoma Steel Company and therefore of the estate of which he is an executor.

These facts have to be stated. Every increase, sir, in the value of the shares of the Algoma Steel, from the day after the day of Sir James Dunn's death until duties are paid, is going to have a bearing upon the ability of that estate to pay succession duties and the ease, if you like, with which they are paid. In other words, an increase in the value of the shares after the death will represent a profit to the estate which can be used, in part at any rate, towards the payment of duties when they are realized without depreciating or lessening the value of the estate as it may be determined to have been at the date of death.

The policies of two departments of government are going to have an effect upon the value of those shares every day and from day to day. Those are facts which the minister cannot escape. I have no compunction or regret in stating the facts, however much the minister may resent my doing so. They are facts that have to be stated in order that their implications may be understood, because they are demonstrations of the extent to which there is a direct conflict of interests and of the extent to which the minister's position as executor of this estate and as minister of these two departments is improper.

The third area of conflict, related to the other two, is of course the fact that the affairs of the company, and therefore of the estate, and the affairs of the steel industry in general, are affected by the pipe-line bill which the minister has just jammed through this parliament.

The Deputy Chairman: Order. I am going to ask the hon. member—and I think perhaps I have intentionally given him considerable latitude—not to pursue that particular line of thought further. Previously a speaker on this same item of the estimates ascertained which of the present minister's departments the pipe-line bill came under and voluntarily, I think, and willingly immediately dropped that line of thought and discussion, indicating that it would come up under the Department of Trade and Commerce. I think that what has been done for one member should be done in the case of another, and I would ask the hon. member for Kamloops not to follow that particular line of thought further.

Mr. Fleming: Mr. Chairman, with respect, I think I am the member to whom you refer. I think it is a different situation altogether. I indicated that I had a number of questions