

*Supply—Lieutenant Governors*

act that covers that, because section 3 seems to be in entire discord with what is actually being done.

**Mr. Abbott:** My recollection is that the act as it stands, including section 3, provides for the setting up of agency corporations, not a corporation such as is contemplated here which will have title to the assets. To that extent authority is asked under this item to derogate from the provisions of section 3. Does that help my hon. friend?

**Mr. Macdonnell (Greenwood):** It helps me to this extent, that we are now getting the thing straight. We were given a very different impression of it before adjournment. I am just going to add that I think this is the wrong way to act and I wish to be on record.

**Mr. Abbott:** It is a free country and everybody can have his own opinion.

**Mr. Blackmore:** I wonder if I could have another matter clarified by one of the ministers. Paragraph (d) of the item authorizes accounting arrangements to be set up by the company as if, as between Her Majesty, the board and the company, the company were not an agent of Her Majesty or the board. Probably that has some specific legal meaning, but I must say that it seems to be a little over my head.

**Mr. Howe:** The original Atomic Energy Control Act provided that a crown company could be set up to administer the development at Chalk River. It was then contemplated that the crown company would administer assets owned by the crown and act as an agent for the crown. That was in the days when we did not contemplate that Chalk River would have any particular earning power. Our conception of Chalk River has changed and we now believe that it will develop into something of the nature of Polymer Corporation where assets have earning power. Therefore we have by this item changed the conception from an agency corporation to a crown company which actually owns the assets it administers. That is the point covered in paragraph (d).

Item agreed to.

## GOVERNOR GENERAL AND LIEUTENANT GOVERNORS

658. To authorize, effective from January 1, 1952, and provide for annual expense allowances to the lieutenant governors of the provinces of Canada, to reimburse them for costs of travelling and hospitality incurred in the exercise of their duties, up to amounts of not less than \$5,000 and not more than \$12,000 per annum in the case of any lieutenant governor and within those limits not more than an amount of \$5,000 per annum plus \$1,000 per annum for each 100,000 or fraction thereof by which the population of the province at the last decennial census exceeded 500,000, \$21,500.

**Mr. Knowles:** I wish to register my objection to this item and I do so on two or three grounds. First, the minister will recall that when he introduced his supplementary estimates on Friday he told us that supplementary estimates deal mainly with additional expenditures made necessary in pursuit of policies already determined. I admit that in the statement which he made on Friday there was a qualifying clause which implied that sometimes there might be an exception to the rule. Nevertheless the minister did make it clear that the reason he was pressing to get the items through as quickly as possible was that no new principle was involved.

The item now before us which provides for travelling and hospitality allowances for the lieutenant governors certainly introduces a new principle. Up to the present time the only money paid to lieutenant governors out of the federal treasury has been their salaries as provided by statute. Those salaries vary to a certain extent. The salary of the lieutenant governor of Prince Edward Island is \$8,000; the salary of the other lieutenant governors, with the exception of the lieutenant governors of Ontario and Quebec, is \$9,000; in the case of the lieutenant governors of Ontario and Quebec the salary is \$10,000 a year.

I understand that originally each province supplied the lieutenant governor with a residence as well, but in recent years at least three provinces, Ontario, Alberta and Saskatchewan, have withdrawn that concession and the lieutenant governors of those three provinces must provide their own residences. The item before us proposes to add to the amounts the lieutenant governors are receiving by way of salaries an additional amount to be known as an annual expense allowance. This is to be paid on a sliding scale ranging from a minimum of \$5,000 to a maximum of \$12,000 in the case of the lieutenant governors of the larger provinces. I take it that these allowances are to be on the basis of expenses actually incurred in connection with travelling and hospitality.

As I have already pointed out, this is a new departure, and I regret that it is brought before us in the form of a supplementary estimate. In fact, I do not think it should be brought before us through the medium of an item in the estimates at all. In keeping with what we were saying in connection with the item we were discussing just before six o'clock, I feel that if it is desired by the government to make a change in the total amount of money to be paid to the lieutenant governors, that change should be effected by a change in the statute.