times, with the assistance of constituents of mine who have made a study of this matter and who feel keenly about what is happening, that I was able to understand the full extent of the egregious errors for which the hon. member for Laurier is primarily responsible. That, Mr. Chairman, is the straightforward reason. Although I am one of the new members of this house I will stand up before my hon. friend who is 20 years my senior in all respects, and will debate with him this issue, the integrity of parliamentary control of capital expenditure. That is where I fear that my hon. friend has fallen down. I only say to him as I conclude that if the member for Carleton had known these facts earlier he would have shared them with the House of Commons, as he has done today.

**Mr. Pearson:** Mr. Chairman, the committee will have an opportunity to ponder over, analyse and judge the words of the hon. member who has just taken his seat—the new member of the house, as he himself confessed—and the words he used this afternoon. I do not propose to enter into that part of the discussion at all.

However, I should like to ask the Minister of Transport—who should, I think, be taking a little bit more active part in this discussion as the minister responsible now—just two or three simple questions. The first question is this. Does the minister agree with the very serious charge which was levelled at my friend the hon. member for Laurier a few moments ago by the hon. member for Carleton, namely that he was guilty of making illegal expenditures while he was head of the St. Lawrence seaway authority, expenditures beyond the authorization given by parliament?

Mr. Bell (Carleton): That statement was never made. The word "illegal" was never used at any time.

Mr. Pearson: Mr. Chairman, I will put the question in a different way in order to satisfy my friend the hon. member for Carleton. Does the Minister of Transport agree that the hon. member for Laurier when president of the St. Lawrence seaway authority made or sanctioned expenditures beyond those authorized to the authority by parliament? That was the charge that was made and it was an extremely serious one indeed. That is the first question.

Mr. Hees: Would you like me to answer it?

**Mr.** Pearson: No, not yet; I will give you three questions. The second question is this. I know that the hon. member for Carleton was a new member and did not wish to enter into an examination of these matters earlier. But was the Minister of Transport

St. Lawrence Seaway Authority Act aware, when he was in the opposition, of the detailed budgets presented annually as explained by my hon. friend a few moments ago, which gave the details with regard to expenditures on the Welland canal as they occurred? Was the minister aware of those expenditures at that time and when those matters were before parliament did he object to those expenditures or did any other member on the other side of the house object to them at that time in any way, shape or form or has the objection been discovered by the hon. member for Carleton this afternoon? Then the third question is this. Does the minister agree with the charge of the hon. member for Carleton that the increased expenditures on the Welland canal have no justification? Does he agree that this amount which is now being expended had been wasted, and does he agree that there was no reason why this project should have been

questions. **Mr. Hees:** I will be very glad to, Mr. Chairman. First of all, as the hon. member for Carleton has explained and pointed out to the hon. Leader of the Opposition, he did not say, as he just now said, that the hon. member for Laurier, when he was either seaway

changed to bring about this extra expendi-

ture? Perhaps he will answer those three

Mr. Pearson: I did not use the word "illegal".

president or minister of transport, authorized

any illegal payments.

**Mr. Hees:** He did not say that, and I do not for a moment think the hon. member for Laurier did authorize any illegal payments. I think the payments he authorized were ones which were passed by the seaway authority and authorized by parliament.

Mr. Pearson: That is not what he said.

Mr. Hees: Of course, anybody who is familiar with these matters knows that that is the only way expenditures can be made by the St. Lawrence seaway authority. Second, the Leader of the Opposition asked me if I was aware, while a member of the opposition, of the Welland canal expenditures. The answer is no, I did not, for a very good reason, which is this. When we were in the opposition, like the hon. members at the present time, we were few in number and we split up the responsibilities, and at that particular time transport was not one of the departments with which I concerned myself. I concerned myself with about seven or eight, but transport was not one of them. The hon. member for Vancouver Quadra and other