

our present system, wherein the Government is itself engaged in a class of business through one of its creatures—in this case the Canadian Overseas Telegraph Company—in competition with private corporations. This bill has to do with the regulation of overseas telegraphs; and in addition to the Canadian Overseas Telegraph Corporation, which is a Government creation under the control of the Minister of Transport, there are two private companies involved in the business. One is the Western Union Company, the other the Commercial Union Cable Company. Both of these corporations made representations to the committee. The Western Union Company feared that the purpose of the bill was to interfere with the business which it primarily carries on, namely, the transmission of messages from one point outside Canada to another point outside Canada, but touching Canada on the way. The minister authorized the deputy minister to make a statement to the committee—which he did, and which was read by the Clerk a few minutes ago—to the effect that it was not intended by the regulations to be set out under this bill to interfere with messages of that kind. That was the reason for the rather unusual procedure which was followed in the report—a procedure for which I do not remember any precedent during my years in the Senate—that is, the inclusion in the report of a statement made on the authority of the minister as to the manner in which he would interpret the legislation if it is passed. But the Western Union representatives wanted some record of the statement for which they had asked, and which the minister had made, as to the way in which the regulations were to be administered. The minister agreed to have this statement appear on the record, although, of course, the question is not one relating to the law, but a matter of good faith.

The other company, the Commercial Union Cable Company, which has a long history of ownership and operation of a cable between Canada and Great Britain, extending back, I believe, to the year 1886—

Hon. Mr. Hawkins: 1884.

Hon. Mr. Hugessen:—was, I think, basically apprehensive that the power of regulation which the minister seeks under this bill—a power to regulate these companies after they have started their operations, and during the course of their operations—was intended as a means of favouring the Government company at the expense of the private companies. I suppose a suspicion of that kind is bound to occur in cases such as I have described, where the Government, as a regulatory body, is in the dual position of a

judge and of one of the parties regulated. The minister explained to us that in his view the modern development of telegraphic communication is such that he feels he should have some measure of control over the current day-to-day operations of the telegraph companies. The only control he has under the act as it stands is that, when the cable is initiated, his approval of the construction and laying of the cable must be obtained: at that time he can make such conditions as he sees fit: After the cable has been laid pursuant to his authority, he has no further control. He felt that for general reasons he should have some measure of official control over the operations of the cable companies, but he assured the committee that there is no intention to prejudice the operations of the private companies in the interests of the C.O.T.C., that there is no desire on the part of the Government to create a cable monopoly, and indeed he pointed out that had the purpose been to make a monopoly the Government would not have proceeded through legislation of this kind, but through a direct act of Parliament to expropriate the private companies.

That was the general purport of the proceedings of the committee. I must say that there is something to be said on both sides. I admit I felt that there was some point to the suggestion that, rather than have these regulations made by the Governor in Council, they should be promulgated by an independent body such as the Board of Transport Commissioners. The minister explained, however, that these regulations, dealing with overseas cables and so on, relate to international matters with which the Board of Transport Commissioners is not competent to deal. But he did hold out hope that on some occasion in the future an independent body may be set up which will have charge of the making and enforcing of regulations over the whole field of communications. Well we had to be satisfied with that and, generally speaking, I thought the minister made out a reasonably good case for the bill. I certainly felt, after hearing his explanations, that the fears of the private companies were, to say the least, exaggerated.

The Hon. the Acting Speaker: Honourable senators, the question is on the third reading of Bill 212, an Act to amend the Telegraphs Act. Is it your pleasure to adopt the motion?

Some Hon. Senators: Agreed.

Hon. Mr. Haig: On division.

The motion was agreed to, and the bill was read the third time, and passed, on division.