That is, a licensee established in the act.

—becomes liable to the penalty imposed by subsection (10)—

Subsection (10) provides for a penalty where a licencee fails to comply with certain provisions of the act.

—the commission shall, by order, require the licensee to pay the penalty to the commission—

I ask Your Honour to bear those words in mind.

—to the credit of the Receiver General.

Subsection (12) provides:

An order made under subsection (11) is enforceable and may be appealed—

Subsection (13) provides:

Notwithstanding subsections (11) and (12), the commission may waive all or any part of the penalty imposed by subsection (10) in any case where, in its opinion, the circumstances so warrant.

This particular clause also drives us to consider clauses 79, 80, 81, 82 and 83. I will not take the time of the House by repeating those, but they provide that the penalties fall into the hands of the Queen in right of Canada. What we see, because of those two clauses being taken together, is a provision for penalty. There is provision that such penalty becomes the property of the Queen in right of Canada, and there is provision that the Canadian Grains Commission which is purported to be created by this act can waive the penalty.

With that as background I should like to point out to Your Honour that it is a principle of parliamentary law that where a bill affects the Crown prerogative in any particular, the consent of the Crown must be given by a Privy Councillor prior to or at third reading and passage stage. In other words, it is quite competent for the government to debate this bill as they have and take it through first reading, second reading and report stage before the bill is given third reading and passed. But I propose to convince the Chair and, hopefully, members of the House that through the medium of a Privy Councillor there must be the consent of the Crown to this particular disposition of the prerogative which normally belongs exclusively to the Crown.

There are a number of authorities for this. I would first bring to Your Honour's attention some extracts from May's Parliamentary Practice. I refer to the decision of the Speaker on the protest of the leader of the Legislative Council of the province of Quebec. The extract I have is dated April, 1885, and deals with a decision given by Mr. Speaker in the following words:

Bill (No. 87) intituled: "An act to amend chapter 27, of the Act 46 Victoria... be now read a second time, and objection being taken by the Honourable Mr. Flynn that the consent of the Crown was necessary to continue to deliberate upon this bill:

Mr. Speaker ruled as follows:

An objection has been raised that the question for the second reading of this bill cannot be put, because the bill is one for which the consent of the Crown is required and because the same has not been signified.

The recommendation of the Crown is necessary for all resolutions or bills involving grants of money, while the consent—

As distinct from recommendation.

—of the Crown, is required for bills which concerns its rights, patronage, or prerogatives.

I think there is no question, Mr. Speaker, that the right to waive a penalty—the penalty is in the form of moneys payable to the Crown in right of Canada—cannot be assigned to an individual or a corporation to deal with unless and until the Crown has signified its consent in the usual manner, in this case in the House by consent of a Privy Councillor. I waited and hoped that this government, despite its disregard for the rules of parliamentary procedure and its detachment and contempt for the parliamentary process, would not have omitted the very substantial requirement necessary to make this a good bill.

The example I have just given is a provincial precedent, but I have gone far back and there are others. The U.K. Commons Journals, volume 166 (1911), 8th August, at page 390, reads:

A motion being made, That the Great Yarmouth Port and Haven bill be now read the third time;

The Deputy Chairman, by His Majesty's command, acquainted the House that His Majesty, having been informed of the purport of the bill, gives his consent, as far as His Majesty's interest is concerned, that the House may do therein as they shall think fit.

A later precedent in U.K. Commons Journals, volumes 202-204, 1946-49, 21st July, 1949, at page 323, reads:

A motion being made, That the Dover Harbour bill be now read the third time:

Mr. Secretary Ede, by His Majesty's command, acquainted the House, That His Majesty, having been informed of the purport of the bill, gives his consent, as far as His Majesty's interest is concerned, that the House may do therein as they shall think fit.

• (8:10 p.m.)

Not many years ago, on July 14, 1959, I had occasion to be in this House when Hon. Ellen L. Fairclough, who was then Minister of Citizenship and Immigration, moved the second reading of Bill S-6, which was to confirm an agreement between the government of Canada and the government of the province of New Brunswick respecting Indian reserves. That matter involved Indian reserves and lands in which the Crown had an interest and which had been disposed of by the federal government. For purposes involving the title of the people who had purchased the land, it was necessary to enter into an agreement between the two governments involved and to confirm what had been done by act of the Legislature of New Brunswick and of the Parliament of Canada. The matter is recorded in the following way on page 5960 of *Hansard* for July 14, 1959:

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration) moved the second reading of Bill No. S-6, to confirm an agreement between the government of Canada and the government of the province of New Brunswick respecting Indian reserves.

She said: Mr. Speaker, His Excellency the Governor General, having been made acquainted with the purpose of this bill, has given consent so far as Her Majesty's property rights are concerned, that the house may do therein as it shall think fit.