

Newfoundland

operations into Labrador; and it would seem that the rights and privileges given this company in 1947 in the Canada of that day will now apply to Newfoundland as well. I should like an opinion from the government as to the effect the terms of union will have upon the provisions of chapter 80 of the statutes of 1947.

Mr. St. Laurent: Well, Mr. Chairman, I do not know that I should or could give an opinion as to what effect the terms of union might have on the exercise by this company of the powers it obtained by its charter. It would seem to me that they would have no effect. This company was incorporated as a railway company, and by virtue of that incorporation acquired the rights and privileges expressed in the charter, and also the right to exercise the powers granted to a railway company by the Railway Act within the territory that was then Canada. It may be that the company, if it wished to be governed by the provisions of the Railway Act for the whole of its operation, that is to say the portion in the former territory of Canada and the portion which might extend into Newfoundland, would have to get an amendment to its charter. There the law speaks all the time; but the powers under the Railway Act which were exercisable were powers only over lands in Canada; and whether the addition to the territory of Canada would extend the operation of the Railway Act to the new territory is a question about which there might be some serious argument.

I do not think it would make any change. There was no intent in parliament at that time to give them rights outside Canadian territory. They were merely given the capacity to acquire rights outside Canadian territory, and I should imagine they would have to acquire those rights as provided in the express terms of the charter.

Mr. Knowles: Since this does seem to be a matter of opinion I shall not prolong the discussion, except to say that as I read the act we passed in 1947 we gave that company rights in Canada. After the adoption of these terms of union Newfoundland is part of Canada. If I were counsel for the company I would claim that those rights thereby extended to Newfoundland, which would mean that the objectionable features of the bill we passed in 1947 would become that much more objectionable now.

Mr. St. Laurent: Or that much more desirable now, according to the point of view of the person considering it. The majority in this house considered that it was not objectionable but desirable; and if this measure extends it, then to those members who considered it desirable it would be that much

more desirable, though to the hon. member who considered it objectionable it would have the opposite effect.

Mr. Knowles: Then I think the Prime Minister has answered my question, and this bill does extend the rights and privileges of this company into Newfoundland.

Mr. Claxton: No; I think the point is this. Under the terms of the charter of the company, as provided in chapter 80 of the statutes of 1947, the company was given the capacity of a railway company. Then it was given the right to operate a railway line in that part of the territory which then formed part of Canada. But this was subject to its obtaining the authority to operate the railway over that part of the territory which was in Newfoundland. That authority was obtained from the Newfoundland government, I am informed, so that the company now is fully clothed with the authority to carry on its operations. The province of Newfoundland will succeed the dominion of Newfoundland; so that, unless there is some development that one could not foresee, it looks as if the situation is as it was, as regards the operations of the company. It has no additional rights, but it has the rights it was given by a combination of Newfoundland and Canada.

Mr. Knowles: It worked out nicely for the company.

Mr. Timmins: When the matter was before the railway committee, as I remember, the group who were asking for the incorporation of the company stated that the company already had an agreement with Newfoundland with respect to the development of that part of the iron deposits which was in Labrador. Would it be appropriate at this time for the Prime Minister to tell us something about that agreement, whether it is binding upon Canada and what its effect will be in respect of the union we are putting through?

Mr. St. Laurent: I would imagine that this union would have no effect upon it whatsoever; because under the terms of this agreement the province of Labrador retains all its natural resources. The agreement, whether it was made by the commission of government or by the responsible government of Newfoundland before the commission of government, would continue to be binding upon the government of the province of Newfoundland. But the natural resources remain vested in the government of the province.

Mr. MacNicol: As I remember it, what we did in passing that bill in 1947 was to give the railway power to run a railway to the border of Labrador and Quebec, and we were

[Mr. Knowles.]