

Mr. CHURCH: I want to ask one question about section 7. We are giving the company the right to build a railway and, as the Secretary of State for External Affairs said the other night, we can only give them jurisdiction in Canada, and only capacity to act. I would call the attention of the government to a meeting held today between fifteen representatives of Newfoundland and the British government in London, England, regarding Newfoundland's future government. The representatives of Newfoundland were insisting that Labrador be part of that country, and said they are now to come to Canada in June and go into the question of the tenth province of Canada's federation, Newfoundland and Labrador, and the whole future of it. Under section 7 the company is given power to act, capacity powers only as a corporation to construct within Canada. To proceed with construction beyond Canada they will have to deal with Newfoundland and Labrador. I understand that they dealt with them twenty years ago but spent only about \$100,000. While I do not believe in railways and coal mines and electric distribution systems being taken over as is now being done in England, I believe that the Canadian National Railways should have had a survey made of this territory not only in Canada but in Labrador. The policy of our national railway in the past has been to go into territories far less profitable than this proposition may turn out to be. While these mining men are going in at their own expense and surveys have been made under section 7, the fact remains that we are giving away public property. We have only the capacity to give the company railway and subsidiary powers to operate within Canada. For anything else the company wants outside Canada, hotels, power, highways, ocean services, vessels, elevators, wharves, it will have to deal with the provisional government of Labrador and Newfoundland. I would ask the Secretary of State for External Affairs if that is not right?

Mr. ST. LAURENT: I think the hon. gentleman is quite right, though perhaps not quite complete. The purposes of this bill as I read it are two-fold. One is to incorporate a company, thereby giving it the capacity to acquire powers through any jurisdiction that may be willing to grant powers to it; and the other is to build a railway from a point on the St. Lawrence in Quebec to the border between Quebec and Labrador. That is something which, under the British North America Act, can be granted only by parliament. There is no doubt that the parliament of Canada cannot grant the right to the company to build

a railway in Labrador, but the parliament of Canada can grant the capacity to the corporation to go to the government of Labrador and acquire from that government the right to build in the territory governed by the commission government.

Mr. POULIOT: A moment ago I heard one hon. member say that he has the right to argue in this committee just as well as in the railway committee. He is perfectly right. The difference is that in the railway committee witnesses and experts can be heard and be asked questions to satisfy the minds of hon. members who desire information.

(Translation):

Mr. Chairman, in order to ascertain the opinion of the provincial government in regard to this bill, I sent a copy thereof to the premier of Quebec, asking him to kindly let me have his views.

I received today the following telegram, copy of which I shall hand over to the hon. member for Outremont (Mr. Rinfret). It reads as follows:

Thank you for your kindness in sending me copy of Bill "H" re Quebec North Shore and Labrador Railway Company, which I have received this morning, a few moments before the house met. Insofar as the territory of the province of Quebec is concerned, it is obvious that the provincial authorities alone have the power to deal with hotels, water power and their operation as well as with transportation by truck, bus and automobile. In the province of Quebec, there are proper agencies having the power and the duty to supervise and control the operations arising from the use of highways and the development of provincial natural resources. As always, we are prepared to cooperate sincerely with the federal authorities in order to solve the problems which concern both the dominion and the provincial authorities, according to their respective constitutional rights and on a friendly basis if possible. However, you understand that encroachments can never serve as a basis for cooperation. Again I thank you for your courtesy in this connection.

Maurice L. Duplessis.

I wish to ask the hon. member who has sponsored this bill whether it is the intention of the company to have subsidiary companies exercise the rights which may be granted to it under this bill. It is necessary to distinguish as between the right itself and the power to exercise such right.

This information would be of great interest to the public.

(Text):

Mr. RINFRET: I do not think the general remarks just made by the hon. member for Temiscouata apply to section 7. They might apply to section 11. I will reserve my reply until we reach that section.