

trucks were operating on the highway, and we should have less trouble if they were. However, the railways acted too slowly.

I do not know much about this Bill, but I am of opinion that since we realize we made a mistake in allowing a great deal of the transportation by land to slip beyond control of the railways, we should not make a similar mistake with regard to traffic by air.

Hon. Mr. LYNCH-STAUNTON: I do not like to interrupt my right honourable friend, but may I ask whether he can tell me how we could have stopped competition by truck?

Hon. Mr. HARDY: Why did we not go into the truck business?

Hon. Mr. LYNCH-STAUNTON: I do not understand my right honourable friend's point.

Right Hon. Mr. GRAHAM: I am sorry about that. What I am trying to say is that if the Canadian National and the Canadian Pacific had introduced a good system of truck services in the beginning, no one could have successfully competed with them.

Hon. Mr. HARDY: Hear, hear.

Hon. Mr. COTE: May I again ask the honourable leader of the House the reason for participation by private interests to the extent of 49 per cent of the stock of this publicly-owned company?

Hon. Mr. HAIG: While the honourable leader is looking for that information, will my honourable friend from Ottawa East (Hon. Mr. Coté) state where the Bill provides for public subscriptions?

Hon. Mr. COTE: As the honourable senator from Parkdale (Hon. Mr. Murdock) mentioned a moment ago, section 7 provides for it.

Hon. Mr. HAIG: No, it does not.

Hon. Mr. COTE: It provides that the capitalization shall be \$5,000,000, and that the shares shall be offered for subscription to the Canadian National Railway Company at par. Then subsection 3 reads:

The Canadian National Railway Company is hereby authorized to subscribe for, underwrite, purchase, hold, and, subject to the provisions of this Act, sell and dispose of the shares of the capital stock of the corporation.

The Canadian National Railway Company is authorized to subscribe for and sell the stock. Then follows a limitation on the power of the Canadian National Railway Company to dispose of the shares. It may dispose of not more than about 49 per cent—24,900 shares. It naturally follows that the Canadian National will be the owner of half, plus 100 shares.

That constitutes control. I have asked the honourable leader of the Government to tell me the reason for giving this option to the Canadian National Railway Company to sell part of the stock to private interests.

Hon. Mr. LYNCH-STAUNTON: To buy up the side lines.

Hon. Mr. DANDURAND: I am under the impression that, in the other House, the honourable Minister stated he desired to interest the lines now in the business to take shares in the Airway Company, but he thought that the Canadian National Railway Company should retain a majority of the shares.

My honourable friend from Lunenburg (Hon. Mr. Duff) says he is against state ownership. Perhaps he is not the only person holding that view, but I would remind him that in the past a vast majority of the people have voted for state ownership, and we must bow to the will of that majority. He declares that the one company which should not have control of this system of transport is the Canadian National Railway Company, because it has no money. My honourable friend knows very well that the Canadian National Railway Company has as much money as the Government of Canada may grant it; so when we say the Canadian National Railway Company we know we are speaking of our own concern. My honourable friend should not wonder as to who will be the bankers. We are the owners of the Canadian National Railway system; we are its bankers.

As my right honourable friend from Eganville (Right Hon. Mr. Graham) has said, transportation by air is a very important development. It now covers the whole of the United States. The Canadian Government has agreed with the British Government to handle by aeroplane across Canada the mails which will be brought across the North Atlantic by the proposed service now being organized between England, Ireland and Canada. Already \$7,000,000 has been spent on landing fields in this country. The question is, who should control the system. My opinion is that the one company which should control the system is the Canadian National Railway Company; that is, Canada. We have no idea of the development which this air service will take care of within a few years.

I agree with my right honourable friend from Eganville that what is now a competitive truck system should have been organized by the two Canadian railways in co-ordination with their own transportation facilities. In 1925 a committee of the Senate inquired into the whole system of transportation. The inquiry lasted several weeks. A representa-