

Hon. Mr. Connolly (Ottawa West): Every company incorporated by Letters Patent has such powers.

Hon. Mr. Leonard: Yes, but they may be restricted, and one reason for having a statutory company is that it does differ in certain aspects from a Letters Patent company. It is just a matter of checking to make sure.

I should mention that the bill has been before our Parliamentary Counsel and, according to my information, as far as he is concerned it is in order.

Clause 9 provides that the Railway Act shall still apply to this railway, except in so far as any of its provisions are inconsistent with the provisions of this bill.

That completes my explanation. If the bill receive second reading I propose to move that it be referred to the Standing Committee on Transport and Communications.

Hon. A. K. Hugessen: Perhaps the House would allow me to indulge in a short reminiscence. Mention of the name of The Algoma Central and Hudson Bay Railway Company brings back to my mind something that happened 34 years ago.

This railway company is extremely prosperous at the present time, but during the first 30 or 40 years of this century it went through many financial difficulties, and it was consistently reorganized every few years. In 1931 I was one of the counsel engaged in such a reorganization, and we came to Parliament at that time, as my honourable friend is coming to Parliament today, with a bill changing the company's capital structure. I was a young counsel at the time, and, so far as I can recall, the only member of the Senate still with us who was present at the meetings of the committee which considered the bill of that year is my honourable friend sitting opposite, Senator Asetline.

Hon. Arthur W. Roebuck: Honourable senators, you have been very kind to my friend in allowing him to reminisce, and perhaps the same indulgence may be extended to me.

I am pleased at the progress made by the railroad as indicated in the clear and lucid explanation given by my friend Senator Leonard, the sponsor of the bill. My memory goes back quite a number of years to a time when I was the nominee of the men on a conciliation board which brought about an agreement between them and the management. What was to my mind remarkable about it, and which has always stuck in my memory, was the fact that after I got back

to Toronto both the men and the company wrote thanking me for the part I had played. That is the only time I can remember when both the employer and the employees felt grateful for my efforts.

That agreement ran out in due season. I cannot remember the date, but it ran for a number of years. A second meeting was held of a conciliation board of which I had the honour to be a member, once more as the nominee of the men. The result has been, of course, that I have had a most kindly remembrance of and feeling towards both the company and its employees. I rise now only to express my pleasure at the progress that appears to have been made over the years in the management and conduct of this railway company, and to say to my fellow senators—and with this I am sure they will all agree—that if there is anything we can do to bring about greater progress and more success to this railway company then we are most happy to do it.

Hon. Mr. Grosart: Honourable senators, I have no such competence as Senators Hugessen and Roebuck to reminisce. I rise merely to ask Senator Leonard if there is anything he wishes to say as to the necessity or wisdom for the retroactive provision in clause 8? The clause provides:

It is hereby declared and enacted that the company has and always has had... certain powers.

Hon. Mr. Leonard: Honourable senators, that is a good question. In the time I had in which to deal with this matter I asked the company's counsel what it had in mind in connection with clause 8. The answer I was given was that it was thought wise for the company to have these general powers. I do not think I can give any better answer than that. I suggest that this section might be given further scrutiny when it is dealt with in committee. That question could and, in fact, should be asked at that time.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to the Standing Committee on Transport and Communications.

MUTTART MORTGAGE CORPORATION— SECOND READING

Hon. Daniel A. Lang moved the second reading of Bill S-6, respecting Muttart Mortgage Corporation.