

property are vested in the new harbour board? I am willing that section 10 be passed now, but I am calling attention to this discrepancy because I shall have considerable to say about section 37 when we come to discuss it.

Mr. HOWE: I think this perhaps looks more formidable than it really is because the property of all the boards except the Quebec board is already vested in the crown and administered by the local boards.

Mr. CAHAN: Then why reinvest it in the board?

Mr. HOWE: It is not reinvested in the board. It is to be held by his majesty in the right of the Dominion of Canada.

Mr. CAHAN: I agree with section 10, but I am simply giving notice now that when we come to discuss section 37 I shall contend that the provisions of section 37 are entirely inconsistent with the section we are now enacting.

Mr. HOWE: I shall be glad to take that into consideration.

Mr. ILSLEY: There is a formal amendment I have to move to bring the section into line with the reprint. I move that subsection 3 of section 10 be amended by striking out the words in the first line "Notwithstanding anything in this act" and by adding at the end of the subsection the following, "and for the purposes of this subsection, notwithstanding section thirty-nine hereof, the corporation concerned shall be deemed to continue to exist." The word "concerned" does not appear in the reprint and should appear.

Mr. CAHAN: I was going to deal with section 10, subsection 3. Subsection 3 is so loosely drawn that one cannot discuss it with patience. This bill should declare that upon the coming into force of this act all the property, works, effects and assets of the seven existing harbour boards should be vested by statute in the new harbour board. That being so, the old harbour boards should go entirely out of existence when this measure is brought into force. I think this section and another section of the bill, section 37, are loosely drawn and ineffective. They simply tend to becloud the issue. Section 37 reads:

The corporations and the board are hereby declared to be amalgamated and to form one corporation.

In my opinion, and being careful of my language, I never saw a more equivocal suggestion made in a bill. You are not amalgamating or consolidating the old boards with the new board. You are in effect transferring

[Mr. Cahan.]

all the properties of the old board, in so far as their operation, management and control are concerned, to a new board which is coming into existence upon the proclamation of this legislation. You are not consolidating or amalgamating the old boards with the new board, and therefore this provision which is contained in section 10, subsection 3, and which is carried to ridiculous extent in section 37, seems to me to be a provision which should not be found in a bill as carefully drafted as this bill should be.

Mr. HOWE: Some things that look ridiculous may not appear so ridiculous when we understand the facts. Several of these properties are mortgaged to the public. The Quebec commission have bonds in the hands of the public; the Montreal commission has Montreal bridge bonds in the hands of the public. We cannot get rid of these obligations of the corporations, which obligations are in the hands of the public at the present moment, although we may get rid of them in time, and so the wording is that we are amalgamating these corporations into one so as to preserve the corporate identity which is the security behind the bonds. This is to ensure that the corporate identity does not disappear immediately. My hon. friend says that the provision is ridiculous, but the Department of Justice says that this is the way to do it. There seems to be quite a gulf between the two.

Mr. CAHAN: With all deference I doubt whether you could get a certificate from the chief officers of the Department of Justice that this is the best way to do it.

Mr. HOWE: I consulted the Justice department, and I do not think they would let me down.

Mr. CAHAN: The suggestion is that certain of these corporations have bonds or charges or liens outstanding. Now the proper way to handle the matter, I would suggest, would be to transfer the property subject to these liens and charges, with a declaration in the bill that the liens and charges outstanding will be assumed and paid for by his majesty in the right of the dominion; that is, assumed and paid for by the dominion government. But when you come to deal with the amalgamation of corporations, I have been at this work for over forty years and I have not yet been able to acquire a clear knowledge of what a general provision for the amalgamation of one corporation with another means. We have endeavoured under companies' acts from time to time to determine