

*Trans-Canada Air Lines*

This is taken from an act in which you have in a preceding section definitions that cover points not dealt with here, namely, the person who guarantees. "May authorize the guarantee by His Majesty" is all you want. Then subsection 3 covers the way in which it is done.

Mr. HOWE: We have reworded clause 1 to read:

Subject to the provisions of this act, the Canadian National Railway Company may issue notes, obligations, bonds and other securities (hereinafter in this act called "securities") not exceeding the sum of five million dollars for the purpose of purchasing the capital stock of the corporation, and the governor in council may authorize the guarantee of the principal and interest of such securities on behalf of His Majesty.

Mr. BENNETT: Yes. While the minister is at it may I point out that when his high-powered lawyers copied this section, instead of saying "in this act called securities," they should have said "in this section called securities." It will be observed that the language in section 8 is that it is for the purpose of purchasing the capital stock.

Mr. HOWE: Would "subscribing to the shares" be better?

Mr. BENNETT: No, it is not that point, but the clause providing for payment of the purchase price by such instalments as may be determined by the directors. All through the legislation we have dealt with it as a purchase by the Canadian National Railways.

Amendment agreed to.

Section as amended agreed to.

Section 13 agreed to.

On section 14—Business and powers of the corporation.

Subsections (a), (b), and (c) agreed to.

On subsection (d)—Business within and outside Canada.

Mr. GREEN: We understood from the minister the other night that the new company would have the exclusive right to fly this trans-Canada airway. There seems to be nothing in the bill making that provision. I should like to know whether it will be possible for other companies to fly the airway.

Mr. HOWE: The intention is to give this company the exclusive right to fly this route. No interurban route can be flown by any service without special licence from the aeronautics branch.

[Mr. Bennett.]

Mr. GREEN: The exclusive right will be brought about, then, by means of licence under another act?

Mr. HOWE: Quite.

Mr. STIRLING: Would the minister be disposed to give a little further information with regard to the flying of this route, particularly with regard to the length of the jumps? It traverses my riding; there are three or four aerodromes in the riding and I know that as soon as I get home I shall be asked exactly where the planes are going to stop and from what places they are going to be guided.

Mr. HOWE: It is not possible at this time to give that information, because it has not been worked out. We must have expert operating officers, and they must consult with the post office officials to work out the requirements of the service before anything can be determined.

Mr. STIRLING: Will there be considerable jumps?

Mr. HOWE: Yes, it is the intention to have as few stops as the requirements of the post office will permit.

Mr. TOLMIE: Is it the present intention to have a connection between Vancouver and Victoria?

Mr. HOWE: As I said before, the matter of branch line service and feeder lines has not been considered up to the moment. Obviously the main line must terminate at Vancouver.

Mr. McNIVEN: I notice this company is authorized to carry on business throughout Canada. Does that mean that they could operate feeder lines as well, and engage in commercial flying in competition with other companies which have been in the business for many years? I am thinking more particularly of the northern country, northern Ontario, northern Manitoba and northern Saskatchewan, where these companies have pioneered. It does not seem fair that they should be subjected to the competition of a government subsidized company. Is it the intention of the minister that this company should be allowed to enter into competition for commercial business with companies that have been established and have been giving service for some time past?

Mr. HOWE: While this company is given power to operate anywhere in Canada or outside Canada, it can operate only on services designated by the government. I have stated already that it is not the present intention to operate any feeder lines north of the main line. Because of the fact that some of the feeder