

Mr. EMMERSON moved to strike out section 1 of the amended Bill.

Motion agreed to.

Mr. EMMERSON moved to substitute the following therefor :

The directors may annually appoint from among themselves an executive committee composed of at least three directors, for such purposes and with such powers as the directors by by-law determine ; and the president shall be ex-officio member of said committee.

Mr. W. F. MACLEAN. Can it be the case under this legislation that not one of the members of this executive shall be British subjects, that the executive may be composed absolutely of aliens?

Mr. HYMAN. I presume so, under the wording of that section. But they must be elected by those they represent, a majority of whom must be British subjects. A majority of the directors must be British subjects, and it is they who elect the executive and have control.

Mr. W. F. MACLEAN. But this is another way of having an American directorate over a Canadian railway company. That is the thing we have been trying to avoid, and now we have got it.

Mr. FOSTER. Is it a condition that the executive must be members of the directorate?

Mr. EMMERSON. Yes. The same principle has been followed in the matter of some other Bills that were before parliament, notably, that of the Grand Trunk Pacific, and there was no exception raised at that time. The object of this is to have a committee right on the spot here in Canada, and necessarily they would require to be British subjects residing here.

Mr. W. F. MACLEAN. Now will not the same thing happen in regard to the other Vanderbilt interests in Canada? Take the Canada Southern and roads like that—they will be administered and managed in the same way. The object of the Railway Commission is to have men in Canada responsible to the Canadian people and to the Canadian Railway Commission, and who can be brought before it. Now there will be an executive that you cannot reach, men residing in New York; they may be the board and elected by residents here. The other day the Minister of Railways said the object he had in view was to have somebody in Canada who could be called before the Railway Commission, or before the government's Railway Committee, to make explanations, and who could be held responsible. That was declared to be the policy of the government. Now this executive can be in New York, or can be outside of this country ; and in a few days it will happen that the Vanderbilt interest will ask for the same legislation for all their

railroads, and once they get in the thin edge of the wedge, they will start buying railroads all over this country and administer them by a small executive in 42nd street station, in New York. If that is the object of the government, they ought to say so.

Mr. EMMERSON. It does seem to me that my hon. friend is straining at a gnat in this matter. In all our corporations we have what we call managing directors, they control the routine, and they practically control the entire business of these corporations.

Mr. W. F. MACLEAN. Who do ?

Mr. EMMERSON. The managing directors, under the responsibility that rests with the directorate who appoint that managing directorate. Now here you have under your legislation required that every railway corporation shall have a board, a majority of whom shall be British subjects. Now that majority can control the board, they can control the selection of the executive provided by this section. Therefore, it seems to me that no difficulty can arise. The mere management, the mere directors, the mere train service surely are not of very material moment in this Bill. They are of moment to the company who are interested in serving the needs of the people, and in accommodating its patrons. But the real responsibility for the corporation rests with the board, a majority of whom are British subjects, and this executive must be responsible to that board ; they must be guided by it, and directed by it on every point. Surely there are no Canadian interests that will suffer by reason of this fact, nor would it be good policy to invite capital to come into Canada and to tie it up at every point. I think it is carrying the principle of restriction quite too far indeed for us to refuse to give a Board of Directors, a majority of whom are British subjects, the right to select any one, two or three of their number to manage the everyday affairs of the company.

Mr. SAM. HUGHES. Are not the managing directors of the Grand Trunk Railway all Americans to-day and have they not been for some years ?

Mr. EMMERSON. I am not personally familiar with the facts but if what my hon. friend says is so I can see no wrong in it.

Mr. SPROULE. But you have given no information whether it is fact or not. It would be well for the government through the Minister of Railways to give to the House some information as to the usual custom on the American side with regard to this question. Even with a majority of the directors British subjects a case might arise where the Railway Commission would require some one of the three composing