

Mr. COWAN: I have a question to ask on Clause 4. Did I understand Mr. Spence and Mr. Macdougall to state that N.C.C. was also going to hold stock in the company? One of them made a reference to that matter.

The CHAIRMAN: We will ask Mr. Macdougall to come up.

Gentlemen, do you wish to stand Clause 4?

Mr. COWAN: I would like to get an answer to that question because I was surprised at those words which I heard. In Clause 15 it is said that the two railways own only half of the stock.

Mr. MACDOUGALL: The two railway companies will own half of the stock.

Mr. COWAN: So the National Capital Commission will not own any?

Mr. MACDOUGALL: That is correct.

The CHAIRMAN: Clause 4 will stand.

Clause 5 is agreed to.

On Clause 6—*General meetings.*

Mr. COWAN: I am not a lawyer like you, Mr. Chairman, but can you tell me why the following words were put in, "General meetings of the shareholders, whether annual or special, may be held at such place within Canada, including the head office of the company, as may be determined by by-law"? It seems to me that the head office of a company has to be in Canada.

Mr. MACDOUGALL: I think it is just the usual form of drafting which specifies that you can hold it anywhere in Canada, including the head office of the company, which is the usual place to hold it; but it could be held in other places. The clause could have said that they will hold it at the location of the head office of the company and, in addition, may hold it in other places in Canada, or they could say "in any place in Canada". This is just a form used in drafting a bill of this kind. I agree with you that perhaps there is a simpler way of doing it.

Mr. COWAN: It is not necessary, but this makes it more complicated.

Mr. PETERS: Does Clause 6 mean that no provision is made for the future possibility when we may decide to move this again?

Mr. CHAIRMAN: Clause 6 has nothing to do with the location.

Clause 6 agreed to.

On Clause 7—*Number of directors.*

Mr. MACEWAN: I would like to ask Mr. Macdougall if he knows whether the directors of this new company will be chosen from the present directors of the Canadian Pacific Railway and Canadian National Railway or whether they will be acting officers employed by the company?

Mr. MACDOUGALL: I do not know that any policy decision has been made, or I am not aware of it, but the bill is drafted to empower the company and to establish its form. As you will see in Clause 7, it is provided that they can either be officers in the employ of the Ottawa Terminal Railway Company, or other persons. It does provide for the officers of the Terminal Company being directors if the shareholders should so decide.

Mr. MACEWAN: Is nothing settled?

Mr. SPENCE: The usual practice is to appoint the operating officers of the companies to the subsidiary company.

Mr. PETERS: Is any provision made for this company to report to parliament?

Mr. MACDOUGALL: Not specifically. The interests of the Canadian National Railway are reported to parliament through the Canadian National Railway.

Mr. PETERS: Will this not exclude the terminal ownership?