

person so appointed or directed may, for the purposes of and in connection with any such inquiry or report, do all such things and exercise all such powers as are referred to or mentioned in section 61 of the Railway Act.

This merely permits the Minister to make inquiry as to anything connected with the management or operation of the road under section 61 of the Railway Act.

Mr. McKENZIE: Is section 61 as wide as the Public Inquiries Act?

Mr. MEIGHEN: Is the clause applicable peculiarly to railways. Apparently it is more appropriate to act under this provision than to appoint a commissioner under the Inquiries Act, as this is what is usually done in the management of railways.

Mr. CAHILL: Does the minister expect us to gobble up all these clauses just as he proposes them?

Mr. MEIGHEN: If the hon. member would like to have time to look into it, I will move that the consideration of this clause be postponed.

Motion agreed to.

On section 6—no personal responsibility of directors:

Mr. BUREAU: This section reads in connection with section 22, which authorizes a thing that is directly forbidden by section 149 of the Railway Act. The minister says that was the clause that was inserted in the Canadian Northern Railway Act. Section 6 also takes the director of a company away from the operation of section 376 of the Railway Act, which says that any director who permits the funds of the company to be applied in the purchase of its own stock or of the securities of any other company shall be liable to a fine of \$1,000.

Mr. MEIGHEN: These are really penalizing clauses. The provision is to guard against penalties already applicable to those who are managers of private roads and are directly interested in them. It would not be applicable to Government appointees whose duty it is to manage a road that belongs to the Crown. A director would not accept an appointment if he were subject to those penalties.

Mr. BUREAU: But that is in the general Railway Act.

Mr. MEIGHEN: There he is interested in doing these things; here he is not.

Mr. BUREAU: He is authorized to do things that are forbidden by section 149 of the Railway Act.

Mr. MEIGHEN: Therefore it would not be well to subject him to a penalty for doing them. Here is a clause that was in the Canadian Northern Act with reference to directors who had no interest in the road, and who consequently should not be subject to those penalties. The section reads:

No such director shall be under any responsibility to any shareholder, director, or officer of the company of which he is director, nor to any other person, in respect of any act done, or omitted to be done by him in the execution of his office.

Mr. BUREAU: Is that the original charter of the Canadian Northern Railway company?

Mr. MEIGHEN: No, the Act of 1914, when we appointed directors to represent the Dominion of Canada, the Act that was passed at the time that we guaranteed the issue of \$45,000,000 worth of bonds. Those directors were given this protection, and there is the same reason for giving this protection now because all the directors represent the Dominion and have no personal interest.

Mr. BUREAU: They may have no personal interest, but they are bound to work in the interest of the country. If they do anything against the law, I do not see why they should not be subject to the same penalties as the directors of any other company.

Mr. VIEN: According to this clause a director is not subject to any penalty under the provisions of any statute, in respect of his office or any act done or omitted to be done by him in the execution thereof. If a director commits malfeasance in office, he will not be responsible, nor will he be subject to any penalty under the provisions of any statute, even the Criminal Code. This section will absolve him of all responsibility.

Mr. MEIGHEN: The hon. gentleman omitted some very important words. As respects a director's responsibility to any shareholder, director, officer or employee of the company, or to any other person, he is entirely free. That is quite clear, but there might be statutes to which he should be liable, and he certainly should be liable to the operation of the Code. Therefore, the section continues:

Nor, except with the approval of the Governor in Council, shall be subject to any penalty under the provisions of any statute, in respect of his office, or any act done or omitted to be done by him in the execution thereof.

Therefore, he is not absolutely exempt. He may, by the Governor in Council be