

Mr. MACKENZIE (Vancouver): I move:

To strike out from subsection 2 all the words after the word "company" in the third line of the subsection, and add the following proviso to subsection 4: "Provided however that the Canadian National Railway Company shall not sell or dispose of more than 24,900 shares except with the approval of the governor in council."

Mr. BENNETT: I think that if the Minister of Transport and the minister who moved this amendment will give me their attention, they will see that a rather difficult situation is created by this amendment. The capital of \$5,000,000 shall be divided into shares of one hundred dollars each—usually the wording is five thousand shares of one thousand dollars each or fifty thousand shares of one hundred dollars each, but that is unimportant. These shares shall be offered for subscription to the Canadian National Railway Company; "at par" I think should be added. I believe that is usual in a case of that kind.

Mr. HOWE: Yes.

Amendment agreed to.

Mr. BENNETT: We come to subsection 3: "when the capital stock of the corporation has been fully subscribed." For our purposes it is fully subscribed at once when it is handed to the Canadian National Railway, because there is a subsequent provision in the bill providing for them finding the five million dollars, and subsection 3 will now have no relevancy in view of the change that is made in the later sections of the bill. That I think is quite apparent.

Then the Canadian National Railway Company is hereby authorized to subscribe for, underwrite, purchase, hold, and, subject to the provisions of this act, sell and dispose of the shares of the capital stock of the corporation, provided that it shall not sell more than 24,900 shares except with the approval of the governor in council. I suggest seriously to the minister that it would be better for him and better for this country, and would prevent any possible misunderstanding if we merely said, "except with the approval of parliament." This is a national enterprise, and it is not fair to the minister or to the government to put them in that position.

Mr. HOWE: I will ask my colleague to move accordingly. As a matter of fact I thought it was that way.

Mr. BENNETT: It seems to me that subsection 3 has no further purpose. Is the minister going to move to add the words "at par"?

Mr. HOWE: I agree with my right hon. friend that subsection 3 should be omitted, and will ask my colleague when we come to it to move an amendment accordingly.

Mr. MACKENZIE (Vancouver): I move to amend section 7 as follows:

To strike out from subsection 2 all the words after the word "company" in the third line of the subsection and to add the following proviso to subsection 4: "provided however that the Canadian National Railway Company shall not sell or dispose of more than 24,900 shares except with the approval of parliament."

The CHAIRMAN: This takes the place of the first amendment?

Mr. HOWE: Yes.

Amendment agreed to.

Mr. BENNETT: And it is intended to add the words "at par" in the underwriting section?

Mr. HOWE: And that the words "at par" be added at the end of subsection 2. I would ask my colleague also to move that subsection 3 be stricken out.

Mr. MACKENZIE (Vancouver): I move accordingly, Mr. Chairman.

Mr. GRAY: Subsection 1 provides that the capital is one hundred dollars par.

Mr. BENNETT: Yes, but it does not say that the underwriting shall be at par. It is the underwriting that I am providing for.

Mr. GRAY: Surely subsections 1 and 2 must be read together, and subsection 1 provides that the par value is one hundred dollars.

Mr. BENNETT: Yes, but the idea is that the underwriting shall be at par; that is, there is no discount on the underwriting.

Mr. GRAY: Yes, I see. The only point is, supposing the underwriting is not possible at par. Does the right hon. gentleman say that that must be compulsory?

Mr. BENNETT: It is not only possible, but it is secured by a further clause in the bill that enables the Canadian National to raise the \$5,000,000. That is to say, the underwriters are authorized to raise \$5,000,000 by guarantee of the government, and that is the reason I suggest that the underwriting be made at par so as to remove any question about the company having the whole \$5,000,000 in its treasury when the shares are underwritten and taken over by the railway.

Mr. YOUNG: The object which the leader of the opposition has in mind is a laudable one, that the company should secure the full