

Securities Trust is hereby declared for the purposes of this act to be a company comprised in the national railways."

Mr. HOWE: That is to consolidate the balance sheet.

Mr. BENNETT: But we have to have a company somewhere. In my judgment it is essential, with this changed set-up, that the section provide also that the deficits be included because they must be a part of the owner's equity. If the country owns the railway it follows that the owner's equity, that is, the equity of the people of Canada, is represented by what they put into the railway for any purpose in the world—for capital, for interest, for deficits, or for any purpose which we may possibly conceive of. That is the owner's equity. The owner's equity is going to vary from time to time in accordance with the amount of money which has been put up by the country for any purpose. With the changed set-up it does seem to me essential that that be stated here, so that there may be no question about it. I cannot see how the minister would have any difficulty about it.

I do point out again that section 22 does make us both a bit ridiculous; we have not any company. The language of the hon. member with respect to the word "corporation" was that it might be used in its generic sense. The words "company" and "corporation" under our interpretation act have the same meaning. Certainly that meaning has not been the one urged to-night.

Section agreed to, on division.

On section 21—Securities Trust not to dispose of indebtedness except with approval of governor in council.

Mr. BENNETT: Except that there is no company to sell. This section deals with the prohibition against the company selling its securities. The company is one person, namely the Minister of Finance. He owns all the shares. How can this be possible? The section states:

The Securities Trust shall not sell, pledge, release or otherwise dispose of any of the indebtedness to His Majesty transferred to the Securities Trust or the collateral securities held in respect thereof, except with the approval of the governor in council.

How can he sell them? Suppose he is authorized to sell them; how can he do so?

Mr. ELLIOTT (Middlesex): With the approval of the governor in council.

Mr. BENNETT: How is he going to make his initial sale? There is only one shareholder, and one shareholder cannot do it.

[Mr. Bennett.]

Mr. MARTIN: The measure gives him the power.

Mr. BENNETT: No, it does not. It provides for only one shareholder in the company; obviously there cannot be a meeting of one shareholder.

Mr. DUNNING: In section 12 the Securities Trust is defined as being five persons.

Mr. BENNETT: Those are trustees; they do not sell.

Mr. DUNNING: It is described as The Securities Trust, consisting of these individuals. The same words are used.

Mr. BENNETT: It says "Hereinafter referred to as The Securities Trust, consisting of five trustees being" so and so. Then later there is reference to a company; but there is only one shareholder. Surely, to say the least, you have then conditions which are contradictory.

Section agreed to, on division.

On section 22—Securities Trust declared a company in national railways.

Mr. CAHAN: Why should the Securities Trust be declared to be a company comprised in the national railways? What have the national railways to do with it? What possible interest have the national railways in the new set-up? What possible interest have they in any equity?

Mr. HOWE: The company is a liability of the Canadian National Railways, and should be consolidated in this way.

Mr. CAHAN: There is no liability in connection with it. By this set-up the Canadian National Railways are exempted from liability to the extent of hundreds of millions of dollars—exempted from it entirely. All that is left is some possible equity which may arise out of future exigencies, and such value as may accrue at any time is the property of the government of Canada by virtue of the liabilities which the Dominion of Canada has assumed. Why should the Securities Trust first be declared to be a company when, in fact, it is not; and secondly, if it is a company why should it be incorporated with the National Railways Company? The national railways have no interest. They are exempt from liability and have transferred all these assets, worthless or otherwise. As in many other cases, why should not the Minister of Finance be the corporation sole. If you wish that there be a corporation, why should it not be entirely under his management and his administration, so as