

*Transport Commission*

tion for those commodities from the bill. There are other minor changes which will become apparent when the bill is distributed. I think these are the major changes.

Mr. NEILL: I notice that the resolution proposes that the board shall have power to regulate the transportation of passengers and goods by ships. Can the minister tell us whether that will apply only to ships on the great lakes, or will it apply also to ships in the coastal trade on the Atlantic and the Pacific?

Mr. HOWE: It is not proposed to apply that type of regulation to coastwise shipping wholly within British Columbia, to coastwise shipping along the coast of Nova Scotia and New Brunswick, or up the St. Lawrence as far as Father Point. It does apply, however, to boats coasting from those points into the great lakes and to boats coasting from a port in British Columbia to a port in another province of Canada.

Mr. NEILL: Why is the coastal traffic not to be regulated? Does the minister not think there is need for it?

Mr. HOWE: Coastwise traffic on either coast is not competitive with other forms of transport. It is more or less a condition by itself. It is my intention at the proper time to send this bill to a committee, where matters of the kind can be discussed. If it is considered in committee that any good purpose would be served by regulating shipping along either coast, a clause of that kind could be inserted.

Mr. KINLEY: This provision with regard to coastwise shipping was in the bill when it was introduced last year, I believe, but there was so much opposition to it to the senate committee that it was struck out. Is that not so?

Mr. HOWE: My recollection is that the bill never included shipping of the type that has been suggested. I may be wrong about that; perhaps it did.

Mr. KINLEY: Yes, it did.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 31, to establish a Board of Transport Commissioners for Canada, with authority in respect of transport by railways, ships and aircraft.

Motion agreed to and bill read the first time.  
[Mr. Howe.]

## TRANS-CANADA AIR LINES

## AUTHORITY FOR EXTENSION BEYOND THE CONFINES OF CANADA

Hon. C. D. HOWE (Minister of Transport) moved the second reading of Bill No. 29, to amend The Trans-Canada Air Lines Act, 1937.

He said: Mr. Speaker, hon. members will note that this is a very short bill. As I stated in speaking to the resolution it has two purposes in view, both of which I think were contemplated when the original legislation was passed but were more or less inadvertently omitted.

The first section amends paragraph 14A of the bill to permit Trans-Canada Air Lines to purchase a share of the company which will operate the transatlantic air transport service, such purchase being an obligation of the government of Canada. The memorandum entered into provides that 24½ per cent of the stock of the operating company shall be owned by such company as the government of Canada may designate for that purpose, and it is the intention of the government to designate Trans-Canada Air Lines as the Canadian shareholder of the transatlantic company.

The second purpose of the bill is to permit the extension of the trans-Canada contract to lines outside Canada. As originally drawn the bill permitted the company to operate outside Canada, but such guarantees as might be given by the Post Office Department to the company were limited to points within Canada. The route of the airway crosses a portion of the state of Maine, and it is also probable that the airway will operate two or possibly three international connections. At the present moment it is operating an international connection between Vancouver and Seattle. The purpose of the second paragraph is to enable the guarantees under the trans-Canada contract to extend to these operations.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston (Lake Centre) in the chair.

On section 1—Transatlantic business.

Mr. GREEN: What is the present position with regard to the issued capital stock of Trans-Canada Air Lines?

Mr. HOWE: The capital stock of Trans-Canada Air Lines at present is wholly owned by the Canadian National Railways. We have been approached by other aviation companies to discuss the disposal of a portion of it, but these offers have never been com-