

authority to build the line. That rests on section 23 and is subject in each individual case to the authority of Parliament, which authority must come first to every line. That being the case, then section 26 applies as to the bond issue.

Section agreed to.

On section 29—Power to acquire securities of other companies.

Mr. BUREAU: The same objection exists to this clause that was raised a few minutes ago. This clause provides:

The company may, with the approval of the Governor in Council, acquire, hold, guarantee, pledge and dispose of shares in the capital stocks, bonds, notes, securities or other contractual obligations—

and so forth. We know these may be put on the market for sale, but I think it is a wrong principle to authorize here the disposal of capital stock. The whole object we have in view now is to acquire the capital stock and to have absolute and entire ownership in the operation of these railways without the interference of any outside parties. I do not believe that this should be authorized unless for some special reason such as the Acting Minister of Justice stated a while ago, where there was an agreement with a certain party that the stock was to be exchanged for bonds. I believe those words ought to be struck out.

Mr. MEIGHEN: At present the Canadian Northern Railway Company may acquire, hold, guarantee, pledge and dispose of shares in the capital stocks, bonds, notes securities, or other contractual obligations whatsoever of any railway company, or of any transportation, navigation, terminal, telegraph, express, or hotel company authorized to carry on any business incidental to the working of the railway. It was thought wise to extend that, especially as the Governor in Council now has supervisory power under this clause to include any electric or power company, and accordingly the words "electric power or of any other company" were added. It appears to be not only a useful but a necessary power to acquire the stock of, say, a small subsidiary branch line company that might be a useful feeder.

Mr. BUREAU: I have no objection to granting the company power to acquire; on the contrary I say the company ought to acquire as far as possible, all outstanding stock to have absolute and exclusive ownership. But the words "dispose of shares in

the capital stocks," I take exception to. I do not think that any shares in the capital stock of any company or organization which may come under the control of this company, which actually represents the country ought to be disposed of.

Mr. MEIGHEN: There is some reason in the hon. gentleman's objection to the use of those words. I would be prepared to move that the words "and dispose of" be stricken out at the end of the second and beginning of the third line.

Mr. VIEN: If I understand this section it means that the Government may acquire by Order in Council the shares, bonds, notes, and securities of any railway company, or of any transportation, navigation, terminal, telegraph, express, hotel, electric, power or of any other company authorized to carry on any business incidental to the working of a railway, or any business which in the opinion of the board of directors may be carried on in the interests of the company. That means that after the enactment of this law the Government by Order in Council will have the power to acquire any railway in Canada.

Mr. MEIGHEN: It is absurd to suggest that they could buy the stock of any other company. It is simply the 2 a.m. power usually exercised by companies for the acquirement of small subsidiary concerns essential to their management.

Mr. VIEN: The section does not say so.

Mr. MEIGHEN: But the other sections do. If they had a surplus after paying everything, which I would be very glad to see them have, in respect of the Government railways it would go to the credit of the Receiver General, they could not use that; it would be only profits after payment of everything to the Canadian Northern. If there is any surplus, and they need it for the purchase of stock of any subsidiary company, they should have power to apply it like any other company. But if they need the money of Canada it must be voted by Parliament.

Mr. LEMIEUX: But why do you not say so in the section?

Mr. MEIGHEN: The hon. gentleman would not want me to say that the money of Canada must be first voted by Parliament?

Mr. LEMIEUX: That is money of Canada they are disposing of?