

therefore, wise to take initial steps to ensure that that control shall be retained by the action of this parliament, and if we desire later to terminate it or to part with it, we may do so through an act of this house and as a result of the intelligent expression of opinion by members of parliament.

I have no desire to go into the matter at greater length, nor do I wish at this moment to go into details, because that will have to be done in committee. But I do hope that the minister will not part with control as this bill provides—control which in my judgment is so essential to our success in view of all the difficulties that will confront us—and we shall then be in a position to cope with the situation in a manner that will be denied us if we adopt the principle of this measure.

I certainly am desirous of assisting the minister as far as it is in my power to do, but I cannot assist him in having parliament give its approval to this principle. In expressing these views I assure him that I am not putting them forward as embodying a council of perfection, nor am I for a moment suggesting that I know better than he does what ought to be done. I am asserting, however, that the experience of this country indicates that now is the time for us to hold what we have, just as we did with the radio, so that if ever we have to part with it, or if we desire to do so, we may at least have a clear appreciation of the value of our franchise and of our properties, and the value of the contracts that we are making in one of the branches of government for the carrying of the mails. That is all I have to say in urging the minister to weigh all these considerations before we commit ourselves to the principle of this measure.

Hon. H. H. STEVENS (Kootenay East): I wish to say a word or two because I consider this bill a very important one and I should not like to express in an adverse vote the stand I take on this question without first giving a statement of my reasons for doing so. I have long held the view that some definite steps should be taken for the establishment of a trans-Canada air service. I urged it some years ago, and I have always been one of those who have held very strong views on the subject. So that I have no criticism of the minister in taking some step towards the accomplishment of that end.

On examining the bill, however—and in the haste with which we are doing things these days one has little time to look carefully into some of these measures—I am perturbed perhaps rather more by its form than by its real

[Mr. Bennett.]

intent. It will be noted that the bill in its general form is in the style of a public bill; that is clear from the short title and the preamble. But when we turn to the constitution of the corporation we find that the bill is cast in a different form. It provides for the incorporation of certain individuals under the name of Trans-Canada Air Lines, which is the form used for private legislation. In other words, we have in this bill a mixture of private and public legislation. That is my first objection to the bill.

In the second place I object to the bill for the reason that in the part of it that provides for the capital stock it is stated that the shares of the capital stock of the corporation:

shall be offered for subscription to the Canadian National Railway Company, and in the event of non-subscription of any of the said shares by the said company such shares not subscribed for shall be offered for subscription to such other persons engaged or interested in aviation as are approved by the minister.

I do not think—and I address myself now to the Prime Minister—that any minister of the crown should be clothed by a public act with such responsibility. I wish to avoid the appearance of casting any reflection upon the minister personally, but I do say in the light of considerable experience in this house that it is inadvisable to put a blanket power of this kind into the hands of any minister in any government at any time. I strongly object to it.

Let me point out what might happen. If this bill passes we have a corporation set up composed of five or six gentlemen of very high standing—all civil servants, if I mistake not. They are incorporated and become a corporate entity. Thereupon this new corporation must offer its stock first to the Canadian National Railways. I do not know what is in the minister's mind. He may give us the assurance that it is the intention of the Canadian National Railways to take up all this stock; I do not know. But if it is the intention of the national railways to do that—

Mr. HOWE: May I interrupt the hon. gentleman? I have anticipated his objection and I intend to introduce amendments to section 7, which will make the purpose much clearer.

Mr. STEVENS: Without labouring the point, then, I will wait until the committee stage. I merely observe that as it stands before me I object to it, and that would be one reason why I would oppose the bill.

There is another point. This corporation which we are creating is in operation, we will

assume. We do not yet know who the shareholders will be; if we knew, we should perhaps be justified in granting the power sought in paragraph (f) of subsection (1) of section 14, which states that the trans-Canada contract shall provide:

for the operation and maintenance by the government of Canada, without charge to the corporation, of emergency landing fields, lights and radio beams, necessary for the operation of the said trans-Canada lines and for the supply to the corporation free of charge of weather reports.

Then follows a proviso that if at some future time the revenues of the corporation warrant it, they may be charged for these services. The point is that we are creating a private corporation and placing on the statutes of the country an obligation upon the government to maintain a very substantial portion of the facilities necessary for the conduct of this business. That adds great weight to what has been said before. If you are going to that extent in public ownership, surely it would be better to make it absolutely and avowedly a publicly owned organization from the start.

There is another point, but these are the main points I wished to refer to. Reference has been made to the question of an unknown deficit. My interpretation of the clause by which we undertake to pay any deficit that may arise, knowing how these things work from observation over many years, is that it is, in fact, an invitation to those operating this company to think, using the popular expression, that the sky is the limit—Don't worry, because your deficit is guaranteed by parliament, no matter how much or how it is incurred. There is no limitation, no restriction upon the directors of this corporation.

For these reasons I hesitate to support what otherwise I should like to support, a genuine move for trans-Canada airways. My mind is not clear, that is, I am not enthusiastic about a government-owned trans-Canada airway. I am inclined to the view, and have been for many years, that inasmuch as trans-Canada aviation will be distinctly in competition with the two railway systems, they ought to organize and control and operate such a system in conjunction with their railways. For instance, one might take the airway to Winnipeg, then get on the train and go over night to Calgary, and then take an airplane for the rest of the trip, or reverse the process. In my opinion it can be operated most advantageously in conjunction with the railways. Here again we are in the dark. It may be that it is in the mind of the minister to do something of that kind, and when we go into committee he may explain it.

But we are being asked here to approve the principle as embodied in the bill without knowing where that principle is going to lead us. As the bill is now drafted I could not give it my support in principle, although I should very much like to do so. I have made these remarks for the purpose of giving the minister an opportunity perhaps to clarify the situation in his answer.

Hon. J. EARL LAWSON (York South): I have in mind one or two matters to which I should like to call the attention of the minister before he closes the debate. With much of what has been said by the right hon. leader of the opposition (Mr. Bennett) I entirely agree. I have, however, one or two matters in mind which I should like to deal with a little more fully.

Personally I cannot claim to be a public ownership man, if by that is meant one who favours the public ownership of most things in the country, although I have always recognized that there are certain exceptions to my general rule or principle of the greater efficiency of private enterprise. But there is one principle to which I make no exception and of which I am thoroughly convinced, and that is that we should not have ownership or operation which is part public and part private. I think I made my views of that situation fairly clear in connection with the central bank legislation. As I see it, under this bill we are going to set up an air transport corporation which may or may not be, but has the possibility of being, partly public and partly private.

It will be observed that under section 9 the shares of the capital stock shall not be transferable except to such persons engaged or interested in aviation as are approved by the minister. I direct attention to the word "transferable" because the last section provides that certain sections contained in part III of the Companies Act are applicable. It seems to me that under that section, although you could not transfer a share once it is issued, there is nothing that requires the approval of the minister of the initial issue; because when you issue a treasury share you do not transfer a share. In the terms of the Companies Act you may allot or issue it, but you do not transfer it. Therefore I suggest that the minister seriously consider the fact that this board of directors, which for convenience I will call original directors or original incorporators, have extraordinary powers, provided that the Canadian National Railway Company saw fit not to exercise the whole or any part of the option conferred upon it by the sections of this bill previous to section 9. In other words, the stock