

On section 1—Short title.

Mr. STEVENS: The proposal is that a new company is to be incorporated under the Companies Act to carry out the purposes and intentions of this legislation. I have under my hand in the Canada Gazette of January 11, 1919, a copy of the charter of the Canadian Government Merchant Marine. I gather from a study of this legislation that it is intended to organize a company under the Companies Act in precisely the same manner as and of similar character to that of the charter of the Canadian Government Merchant Marine. My first question to the minister is: Why not use the Canadian Government Merchant Marine for this purpose? Why incorporate a new company at all?

My next point is this: This legislation provides in one of its subsequent clauses that each of the ships owned by this company may be incorporated as a separate company. That is, of course, the accepted practice. It also provides that the stock of this subsidiary company shall be owned by the company to be incorporated under the Companies' Act. Precisely the same power exists already in the charter given to the Canadian Government Merchant Marine, so that adds to the force of my argument that the Canadian Government Merchant Marine should be used.

The third point is this: This legislation provides that the Canadian Government Merchant Marine may turn over to this new company some of the ships it now owns. That seems to be a third reason why we should use the charter of the Canadian Government Merchant Marine instead of encumbering the records and so forth with a new charter. The other day when this matter was before the House, the minister rather disposed of the argument advanced regarding the organization of a new company by saying that it was desired to keep the accounts of this new proposal entirely separate and distinct, so that we might know precisely how the business stood. There is no difficulty whatever in doing that under the present organization. It would be the most simple and elementary matter in accountancy to set up a separate accounting. Indeed you could set up a separate set of books for this and operate quite as effectively under the charter of the Canadian Government Merchant Marine. In my opinion this could be done very much better under the present charter than by the incorporation of a new company. For instance, in this charter I find that they have power:

To construct, purchase, lease or otherwise acquire, charter, own, maintain, operate and

[Mr Dunning.]

manage steamships, vessels, tugs, car ferries, dredges, lighters, barges, boats, and water craft of every description.

It goes on. They have the right to acquire.

Structures, erections, buildings, hotels, shops, stores, works—

And so forth.

Lands, water lots, docks, wharves, basins, slips, harbour and port works and terminals and other facilities, easements and privileges of every description.

To build, purchase, lease, or otherwise acquire, manage or control. . . . such buildings as it deems advisable for hotels and restaurants;

To use any of the funds of the company to purchase or otherwise acquire, and take and hold shares, bonds, or other securities of or in any other company or corporation, notwithstanding the provisions of section 44 of the said act.

And so on. Therefore, instead of a new charter being secured under the Companies' Act, the powers taken in this bill should be given effect to through the Canadian Government Merchant Marine under its existing charter. That is the first point I wish to make. I might ask another question at the same time so that the minister can deal with it while he is speaking. Who will be incorporated as this new company?

Mr. DUNNING: My hon. friend has asked several questions, and if I should miss one of them, he will remind me. The question as to how the steamship services under this West Indies trade agreement should be provided has been the subject of study by the permanent officers of the Department of Railways and Canals, and more especially by the management of the Canadian National Railways. The method suggested by my hon. friend was, of course, the first method considered. It must be remembered, however—and this is one of the reasons which led to the conclusion to incorporate what is not only a separate company, but a separate holding company in a certain sense, because as my hon. friend mentioned, later on in the act provision is made for the incorporation if necessary of each ship in a separate company for reasons which were discussed when the financial resolution was before the House, and which were more clearly explained by the hon. member for Pictou than I think by anyone else—the Canadian Government Merchant Marine now in existence is indebted to the government of Canada directly. The finance minister holds notes given in payment by the Canadian Government Merchant Marine for the sums advanced originally for the building of the vessels now composing the merchant marine. As the House knows it has been the subject of discussion and the exer-