

names five persons as trustees of a corporation, using the word "corporation," which under section 14 has a capital of five million shares all held by one person, there being no provision in the statute for any other shareholder. One shareholder cannot be a corporation, unless it be a corporation sole.

Mr. BOTHWELL: Are we not getting things confused in talking about shareholders? Is it necessary for the parliament of Canada to create shareholders in what we are pleased to call a corporation? It is true that the term "corporation" has received a certain interpretation through common use, but personally I do not see why it should not be possible for us to use that term to describe a certain body that we are setting up under this bill.

Mr. BENNETT: Surely my hon. friend from Swift Current, who is a lawyer, hardly puts that forward seriously. Look at the sections. Section 13 defines the objects of the corporation. There is one shareholder and five trustees. The shareholder is the Minister of Finance. Necessarily he must have all the powers of a corporation; presumably he is a corporation sole. The hon. member for St. Lawrence-St. George suggests that the simple method is to follow the procedure that we have followed all these years, namely, to insert the name of the Minister of Finance as the holder of these securities. That is all. Suppose something happens as a result of which the title disappears of vice president of the National railways in charge of finance; who is to take his place? You have all those questions which must be considered.

Mr. BOTHWELL: That title would disappear only as a result of legislation.

Mr. BENNETT: Quite so, but you must have some provision for continuance. Continuity is what the minister tells us he is aiming at; first of all, a corporation to hold the securities, and secondly continuity. The minister very properly says that he is not a lawyer nor the draftsman of this bill. This is not his job; he is only here to tell us what the government desire to accomplish, and he says this is the method they have adopted. The hon. member for St. Lawrence-St. George points out that parliament has said there should be a corporation; it does not say when, and the word "corporation" has a definite meaning. There must be three people to constitute a corporation according to the general law of this country. A corporation sole consists of one person. To all intents and purposes the Minister of Finance has been a corporation sole all these years. This

[Mr. Bennett.]

statute says the five trustees are to have no relationship to the corporation, strange as it may seem; under section 13 the shares are all to be held by the Minister of Finance. He holds these shares for the equity of the proprietors in the property, namely, the people of Canada.

Surely we must do a little better than that. The minister says "This is what I must do; there shall be a corporation, and a corporation is hereby created, to be known as so and so. Then you have to say something to give it a local habitation and a name. They have given it a local habitation, the city of Ottawa; they have given it a name, called it the securities trust. Then they name the trustees. The Companies Act provides for the appointment of trustees, and here five trustees are appointed, designated not by their names but by their positions. They hold office until when, and under what conditions? Obviously they hold office under such conditions as may be determined by the shareholders, and there is only one shareholder, namely the Minister of Finance.

Mr. DUPUIS: But parliament is not bound to follow the Companies Act; parliament is supreme.

Mr. BENNETT: Far be it from me to suggest the contrary. I did not for a moment suggest that parliament was bound to follow the Companies Act, but I am pointing out that in the absence of any provision to the contrary the Companies Act governs with respect to a corporation, and there is no provision here to the contrary. I thank my hon. friend for directing attention to the matter if I did not make my point clear. If he will look at the statute he will see the difficulty. There is no provision for shareholders, just one shareholder. There is no provision for the creation of the corporation; there is merely the statement that it shall come into being. When or how that is to be done we do not know. The hon. member for St. Lawrence-St. George asked two questions. He said: Do you propose to do it by letters patent under the Companies Act or do you propose to pass a special act of parliament? Obviously the draftsman thought this was good enough, for he defined the objects of the corporation in section 13. In section 14 he defined the capital, and in the next section he said the capital stock should be shown in a certain way on the books. Section 16 defines the powers of the trustees. They have power to make the by-laws, although they are not shareholders, and provision is made for quorums and so on. Then it is provided that