

pletely new area in Canada, an area that has great promise. Section 20 of the bill provides:

The works and undertakings of the company are hereby declared to be for the general advantage of Canada.

I believe this bill is worthy of the support of every hon. member in this house. It will certainly open up a vast new mining area in Canada and provide employment in a part of the country which is devoid of opportunities for employment at the present time.

Mr. HAZEN: Is there any dominion legislation which provides for the payment of a subsidy to a company that constructs a railroad declared to be for the general advantage of Canada?

Mr. CHEVRIER: I know of no such subsidy paid under conditions set out by my hon. friend. At one time assistance was given for the construction of branch lines, but that was many years ago. That certainly is not the policy of the government today.

Mr. HAZEN: Is there any legislation on our statute books about it?

Mr. CHEVRIER: None that I am aware of. Section agreed to.

Sections 2 to 6 inclusive agreed to.

On section 7—Line of railway described.

Mr. MacNICOL: Is either the minister, the hon. member who introduced the bill or the minister of reconstruction in a position to say whether it is the Marguerite, the Moisie or the Wacouno—

Mr. RINFRET: The Moisie and the Wacouno.

Mr. MacNICOL: That is a tributary of the other river?

Mr. RINFRET: That is right.

Mr. MacNICOL: Why is the Marguerite mentioned, because it is ten miles west?

Mr. CHURCH: I should like to ask a question of the Secretary of State for External Affairs. This section gives authority to the company to construct and operate a line of railway running into Labrador, which is not a part of Canada. I would ask the minister what is the meaning of these words: provided that authority be obtained from Newfoundland for the construction and operation of this section of the railway—

Note this:

—thence northwesterly to a suitable port on Ungava bay.

There is no port there at the present time. Will this interfere with the negotiations be-

tween Canada and Newfoundland as to the latter joining Canada, announced in the house the other day by the Secretary of State for External Affairs? And where is the port on Ungava bay? Do the words I have quoted mean that this company can negotiate with another government over the head of the government of Canada? Can a private company and private people do this? I should like to know from the Minister of Transport whether the Canadian National Railways has abandoned this territory on the St. Lawrence and in Labrador.

Mr. ST. LAURENT: I will try to answer some of the questions involved in the request made by the hon. member. What is being done here has two aspects. One is the incorporation of a company which thereby gets the right to act as a person; the second is the grant to that company of the right to build a railway in Canadian territory. Under our system no one, neither a company nor an individual, can build a railway without a charter from the government of Canada if it is to be interprovincial or if it is to connect Canada with another country, or from a province if the railway is to be entirely within the province. This parliament can grant no rights to build a railway outside its territory, but it can give a company the capacity to receive such rights from the appropriate authority. That matter came before the privy council several years ago. One was a case concerning the John Deere Plow Company, and the other was a case concerning the Bonanza Creek Mining Company. The capacity to receive powers can be granted by this parliament in creating a corporation, and that is all that this parliament can do with respect to any portion of the railway that would be outside Canadian territory. It can have the capacity to receive a franchise from the sovereign of the territory outside Canada where it may operate. I do not think that would be dealing with a foreign government over the head of the Canadian government any more than it would in the case of a United States company that gets a charter here for the operation of a subsidiary in Canada. There does not appear to be any international conflict here. All states assert the right to give companies the capacity to receive powers from whosoever may be willing to grant powers to them.

With respect to the port on Ungava bay I have no information whatsoever. I do not know whether there is a port there or whether one can be developed there. But reading the bill I gather that the intention is to have a