

Hon. Sir RICHARD CARTWRIGHT— I will confer with the minister in charge of the department on the subject. As I have stated, clause 4 can only come into force if approved by the British government; and in any case it would not be put in force until after proclamation by the Governor in Council.

Hon. Mr. WATSON, from the committee, reported that they had made some progress with the Bill, and asked leave to sit again.

RAILWAY ACT AMENDMENT BILL.  
IN COMMITTEE.

The House resolved itself into Committee of Whole on Bill (PP) An Act to amend the Railway Act as regards preferential charges created by the issue of securities.

(In the Committee.)

Hon. Mr. CASGRAIN—I have made inquiries since yesterday, and find that no reasons can be given to justify the change made in the law in 1903, and I, therefore, think we should revert to the law as it existed for forty years and more before 1903.

Hon. Mr. BEIQUE—With reference to the point which was discussed yesterday, and the suggestion made by the hon. leader of the opposition in regard to wages, I would suggest that section 141 be amended to read as follows :

Subject as herein provided, the payment of penalties and working expenditure—

I would strike out the word 'the' because it will not cover all the working expenditure, and I would add after 'working expenditure of the railway' the following :

The payment of arrears of salaries and wages mentioned in paragraph F of No. 34 of section 2 of this Act for a term not exceeding three months.

It would provide for the payment of three months' salaries and wages. As a matter of fact this principle governs in the province of Quebec.

Hon. Sir MACKENZIE BOWELL—That would not cover a debt incurred say for ties. Suppose the manager directed the purchase of a thousand ties from some

Hon. Mr. ELLIS.

farmer, if I understand the intention of the promoter of this measure, the bondholders would take precedence over and above the farmer who sold these ties to the railway. Take another case: supposing it were necessary to raise money to pay for those ties, and the manager or the director had gone into the bank to borrow it the bank would be cut out from the position of collecting the notes or the sum due them by the contractors, even under the clause as amended. Now it might be absolutely necessary in the interests of the railway to get the ties and being in the interests of the railway it would necessarily be in the interest of the bondholders, because if they did not receive the ties which were necessary to enable the railway to be worked and run, the bonds held by the bondholders would be of no value, except to the extent of the railway itself. It strikes me that the effect of the amendment would be to cut out the claim of the bank. The hon. gentleman says he has made inquiries, and can find no explanation of why these words were added to the section as it existed prior to the introduction of the Railway Act. I do not suppose for a moment that he has interviewed, except by the means of a medium, the gentleman who introduced the Bill and was responsible for the adding of these words, when he was the then Minister of Railways, because he could not reach him, except through the means I have suggested. I cannot help thinking that there was a good and sufficient reason for the placing of these words in the law as it stands upon the statute-book; nor can I see any reason why a bondholder should be in any better position than a mortgagee. If a man takes a mortgage upon a man's property, the property is held for the face of the mortgage; but if the person who borrows the money fails to pay the interest, the man who holds the mortgage has the right to go into court and recover, and, if he gets judgment, to seize any other property, goods and chattels which may be upon the property. Why should a bondholder be placed in any better position than any other man?

Hon. Mr. BEIQUE—I do not see that the bondholder is placed in any better po-