

the initiative ought to have been taken by the government.

Hon. Mr. BEIQUÉ—The answer to the hon. gentleman's argument was properly stated by the hon. senator from De Lanaudière. This Bill is intended to re-establish the law as it was before the Railway Act of 1903. As I stated the other day, I introduced two years ago a measure in exactly the same terms as this Bill, and it passed its second reading in this House. I had to leave for England and the Bill was dropped. At that time I tried to ascertain how this change happened to be introduced in the law in 1903, and I could really find no trace of it. It is well known that the Railway Department employed at the time as solicitor, Mr. Hansard, who was entrusted with the drafting of the Bill, and whether it was an oversight on his part or not, I was unable to ascertain. The hon. senator from Calgary asks whether anything has arisen to render this legislation necessary. I happen to know that a road two years ago was placed in the hands of a receiver. It had over \$27,000 of traffic balances owing to the Intercolonial Railway, some five or six thousand dollars owing to the Canadian Pacific Railway and large amounts to other roads, and a debt for working expenses which was excessive for the size of the railway. About one hundred thousand dollars had actually to be paid for working expenses. Happily, no bonds had been issued by that railway. There were bonds, but I believe they were invalid, but if that railway had issued bonds before it passed into the hands of a receiver it would have been a very serious matter, because there would have been privileged claims to the extent of one hundred thousand dollars against the road without the bondholders having any means of knowing about it. The working expenses were allowed to accumulate in such a way that bondholders could not have ascertained what was going on. More than that, an amount of expenditure may be incurred for solicitors' fees, for salaries to officials, for directors' fees, &c., and they all form part of the working expenditure, and come before the bonds.

Hon. Mr. LOUGHEED—Let us assume that in the working of the road the rev-

enue is not sufficient to meet the working expenditure, so far as it relates to the wages of employees; what remedy would those employees have under the proposed amendment for the recovery of the wages due them? The property and assets are not available and, consequently, the only thing they could look to would be the revenue.

Hon. Mr. BEIQUÉ—Under our code in the province of Quebec, employees would have a privilege; wages would come before the bonds.

Hon. Mr. LOUGHEED—But my hon. friend will not contend that a provincial law would affect the railway law of Canada, so far as giving employees a remedy against the property of the company.

Hon. Mr. BEIQUÉ—Yes, I think the privileges for wages would take rank on the property if there is no provision to the contrary in the Railway Act, and I am not aware that there is, in the case of the railway that I spoke of, under the ruling of the Exchequer Court the wages were actually paid by privilege.

Hon. Mr. LOUGHEED—Assuming that the revenue is exhausted, what remedy would the employees have?

Hon. Mr. BEIQUÉ—So far as the province of Quebec is concerned, they would have the privilege on the road itself; but wages stand on a very different footing from the working expenditure to which we called attention a moment ago.

Hon. Mr. LOUGHEED—It is part of the working expenditure.

Hon. Mr. BEIQUÉ—They form part of the working expenditure, but if that portion of the Railway Act is not sufficiently clear, for my part I would have no objection to amend it so as to make it clear that the wages would be a charge on the property itself; but that is no reason why the Railway Act should otherwise remain in its present shape. The hon. member asks whether there is any need for this legislation. The Railway Act, up to 1903, did not contain these words, 'property and assets' in that section, and I am not aware that anybody suffered for non-payment of