negligence, as he would have against private railway corporations, and it seems to me that this clause is manifestly inequitable. It certainly should receive further consideration. I can appreciate the Crown deducting a proportionate amount of damages, that is to say the damages should be reduced by the amount that may be covered by insurance, but not otherwise.

Rt. Hon. Sir RICHARD CARTWRIGHT—I am not prepared to say. The point which the hon. gentleman mentions struck me when I read over the Bill for the first time.

Hon. Mr. LOUGHEED—I do not think it is intended to meet the condition I have spoken of.

Rt. Hon. Sir RICHARD CARTWRIGHT—In the history of the Intercolonial railway there have been a certain number of cases in which, practically speaking, the party who suffered the loss made the Crown pay and the insurance company also.

Hon. Mr LOUGHEED—They could not do it at common law.

Rt. Hon. Sir RICHARD CARTWRIGHT—And there would be a good deal of difficulty on the part of the Crown, without some such provision, to defend themselves. It would not be my hon. friend's desire that the party suffering damage should receive the full amount from the insurance company and from the Crown also.

Hon. Mr. LOUGHEED—No, but almost invariably, in fact one can say that invariably, every insurance policy provides that if the insured should recover damages for the property insured, the insurer shall in turn have the right to recover that amount—at least be placed in the same position as the insured. That is a well known principle of insurance, where damages are recoverable.

Rt. Hon. Sir RICHARD CARTWRIGHT—I am not prepared to argue the case against my hon. friend, other than to remind him of the fact that it is a concession in the right way, that the Crown should be held liable.

Hon. Mr. LOUGHEED—But the claimant, under the old law as we have it on the statute-book, would be entitled to recover from the Crown for damages sustained in such a case as this.

Rt. Hon. Sir RICHARD CARTWRIGHT—These damages are very properly of a highly indirect nature, on the Intercolonial railway particularly.

Hon. Mr. LOUGHEED—Yes, in a case of that kind, the claimant could not recover; that is with modern efficient appliances, and where there has been no negligence.

Hon. Mr. BEIQUE—In that case, he is limited to $5,000 damages as against the Crown.

Hon. Mr. DANDURAND—Did we not last year amend the Act by which the insurance reverted to the railway company which paid the damage?

Hon. Mr. LOUGHEED—Yes, that is the law to-day. We placed that law on the statute-book in 1908, but previous to that I do not think damages could be recovered in a case of this kind. I think the intention of the Crown is to be subrogated to the position practically occupied by the claimant, that is if the claimant's loss was satisfied with insurance therefor, he could not recover from the Crown. But assuming that the insurance only paid half the claim he should be entitled to recover from the Crown, surely he should be paid that half.

Hon. Mr. DANDURAND—I think the Act provides that if the claimant receives a certain amount of the damage, in the way of insurance, he recovers the difference from the Crown.

Hon. Mr. LOUGHEED—I am referring to a case where the insurance is in excess of $5,000. Let us assume that the insurance is $5,000, and that the loss is $10,000: surely the Crown will not take advantage of that portion which was not recovered. If he suffers a loss of $5,000 and is insured for $4,000, the government should be entitled to have the advantage of the $4,000 insurance, and only pay $1,000; but where