

ment and the furnishing of supplies, enhanced the value of the property, the security of the bondholders, and yet could not realise a dollar of their claim against that property, because of the superior claim of the bondholders. That is a case in point, and I think by a little industry one might recall very many instances of a similar character. At that time, if the law had stood as it is to-day, they would have had their redress against the tangible assets. They could have seized the property and assets.

Hon. Mr. POWER—The hon. gentleman from De Salaberry knows the history of the Baie de Chaleurs Railway better than almost any other member in this House. My recollection is that the working men were protected. I think they were subsidies given by this government and the provincial government, and as far back as 1891 we provided by legislation that the workmen's claims should be paid out of the subsidy before the company could obtain it for any other purpose.

Hon. Mr. LOUGHEED—For what reason? For the reason that the property and assets were not available under the law.

Hon. Mr. POWER—Looking back at the history of the Baie de Chaleurs Railway, I do not think that the hon. gentleman would seriously bring that case up as one which is likely to occur again. I think it is a sort of romance.

Hon. Mr. LOUGHEED—Were the property and assets available for payment to the workmen?

Hon. Mr. CASGRAIN—When the government enters into a subsidy agreement with any company, it is specially provided therein that the wages shall be paid, and also all the materials furnished, all the supplies and so on shall be paid, and if during thirty days, any contractor or company neglects to pay the workmen, or for the supplies, then, upon notice being sent to the Department of Railways, the subsidies are hung up here, and the government has the right to pay the workmen out of those subsidies.

Hon. Mr. LOUGHEED—But the days of subsidies to railways have gone by.

Hon. Mr. LOUGHEED.

Hon. Sir MACKENZIE BOWELL—It seems to me that so important an amendment to the Consolidated Railway Act must have been made for some reason or other.

Hon. Mr. LANDRY—And by the government.

Hon. Sir MACKENZIE BOWELL—And by the government. I take it for granted it was by the government, because it was a government Act. It was fought in this House for a long time, and some eighty or ninety amendments were made to it, but this point was not considered at the time the consolidation of the Railway Act was discussed; for that reason it seems to me cases arose similar to those to which attention has been drawn by the hon. leader of the opposition, that induced the Minister of Railways and those with whom he was in consultation as to the framing of the Act, to insert this very clause. Otherwise what would be the position of the labourer? Take a case of that kind to-day? If this law be passed, and there were not funds available to pay the labourer, where would he be? Would he have the power to go into court and sue at common law for his wages, and having a judgment, could he seize any property of the railway in order to satisfy that judgment? It seems to me that is a very important point to consider, that the removal of these words from the law as it stands to-day would be a very great incentive to the purchase of bonds by capitalists in a foreign country. I can readily understand how it would interfere with and probably prevent the sale of bonds, unless these words were removed, or some other security provided for the payment of bonds. But why you want to exempt certain properties and assets from the benefits that should accrue to the ordinary creditors, for the running expenses, is somewhat difficult to understand. If the bondholders expect to have any security for the money they have invested, it must be in the working and running of the road, and if the working and operations of the road should cease, what becomes of the bondholders and the money which they have invested in those bonds? They have either to take possession of the road, or lose all