Mr. GUTHRIE: Does it occur frequently or at all that wages are in arrears for twelve months?

Mr. CASGRAIN: That is what I was going to ask.

Mr. GUTHRIE: I remember when the particular clause in the Bank Act that has been referred to first came up for consideration in this house; I recall that I had the honour of putting it in the Bank Act, and at the time it was very bitterly opposed by certain interests. Until the revision of 1913 there was no protection, and I claim to be the author of that clause, as the records will show. It was represented to me at that time that three months was ample. I brought in the clause at the instance of trade and labour organizations in Guelph, where men had suffered very serious losses through the failure of two companies, which I well remember. At that time it was represented to me that very seldom, if ever, were wages allowed to go three months in arrears. I do not know the situation to-day, but in my experience wages are not allowed to run in arrears for a year. Personally I would think that six months would be ample to protect the rights of the wage earners, though I have no very strong opinion one way or the other, except that they should be protected.

Mr. BURY: I find myself rather opposed to the suggested change, for I think a director can very well protect himself. But if it is to be changed to six months I would suggest that where a director has positive knowledge that the company is carrying on without paying its servants, that positive knowledge should make him liable for twelve months, and exonerate the directors who have no positive knowledge that the company has been carrying on so long without paying its labourers and servants, or limit their liability to six months. I think a director who is a party to carrying on the business of a company, knowing that the employees are not paid, should pay for what he knows. After all, it is easy to say that employees should take action against a company, but in most cases,—and especially with conditions as they are to-day —employees do not wish to take actions for wages, because it would mean that they would be put out of employment. They hold on to their jobs in the hope that the business of the company will improve, and that ultimately they will be paid. If an amendment could be made in such a way as to make a director who has positive knowledge that the employees and servants of the company are not being paid liable for twelve months, and the directors who do not know and who have not that knowledge for six months, I would have no objection.

Mr. RYERSON: How are you going to do that?

Mr. BURY: Let the matter be brought to the knowledge of the directors by employees of the company.

Mr. DUPUIS: On whom would the burden of proof be placed, the director or the employee, to prove that the director has knowledge of the fact that wages are not being paid?

Mr. GARLAND (Bow River): Yes, how could that be proved?

Mr. BURY: I think there would be no difficulty. Naturally, the burden of proof would be on the servant or the employee.

Mr. DUPUIS: That would be unjust.

Mr. BURY: It would be on the employee who is making the claim. He could give positive notice to the directors in whom he has faith, and in that way he would be in a position to prove that he called the attention of the directors to the fact that his wages had not been paid.

Mr. ELLIOTT: I think the change from twelve months to two months is too radical. I agree however that twelve months is too long. I cannot accept the point of view of the hon. member who has just spoken, namely that we will be much farther ahead, or that the wage earner will be much farther ahead if he has imposed upon him the obligation of showing that a director had knowledge. As a general rule, the substantial man among the directors against whom the old section operated most harshly would not have the knowledge. Frequently, even if he did have it, it would be quite difficult if not impossible to prove it. My recollection of the law with regard to preferential liens for wages, under our own Assignments and Preferences Act, was that the period was for three months. I am speaking only from memory, but that would seem to be about the proper time. As this is a change from what we have had previously I would favour going no farther than cutting the previous time in two. I think it should be a six months limitation.

The CHAIRMAN (Mr. Sullivan): The amendment before the committee is that the word "two" be replaced by the word "six."

Mr. JACOBS: If we accept the amendment we will have to revert to section 96.