

of this type are to be liberally construed'. This doctrine, however, is to be taken as being subject to the limitation implied in the statement that "as legislation of this character confers upon a class of persons having a specific contractual relation with corporations new and unusual privileges and securities at the expense of other creditors whose distributive share of the assets is diminished, it is in derogation of the common law, and should not be extended to cases not within the reason as well as within the words of the statute"⁵.

(c) *Scope of statutes, considered with reference to the character of the remuneration.* In New York the Court of Appeal has taken the position that the expression "wages," as used in a statute granting a preference to the "wages of employes, operatives, and labourers," is to be regarded as connoting only such

⁵ For case affirming this doctrine, see *Flagstaff Mining Co. v. Cullins* (1881) 104 U.S. 176; *Seventh Nat. Bk. v. Shenandoah I. Co.* (1887) 35 Fed. 436; *Hockman v. Tanner* (1900) 184 Ill. 144, 56 N.C. 361; *Bass v. Doerman* (1887) 112 Ind. 390; *McLaren v. Byrne*, 80 Mich. 275.

In *Palmer v. Van Santvoord* (1897) 153 N.Y. 612, 1 L.R.A. 402, the court remarked that the New York statute granting preferences to employes of insolvent corporations "proceeds upon a broader policy as to the persons to be protected than has been attributed to the acts imposing liability upon stockholders."

In *In re Black* (1890) 83 Mich. 513, the court, adverting to certain decisions cited by counsel, which involved the construction of enactments relating to the personal liability of stockholders for the debts of corporations, observed: "In all such cases a strict construction must be placed upon the statutes, because, although remedial, they are in derogation of the common law, and impose liabilities where none existed before. But the statute under consideration creates no new liabilities. It is merely a statute regulating the distribution of insolvent estates. It does not depend upon any constitutional provisions to authorize it. It regards the remuneration of labour performed for an employer as more worthy of payment than mere merchandise debts or other unsecured claims against an insolvent debtor. It merits are of the same nature as those which prefer debts due to the United States or to the State, and debts due for the last sickness and funeral expenses, in insolvent estates of deceased persons, and I think it should have a just and liberal construction."

In two States it has been categorically laid down that statutes creating liens are to be strictly construed. *Hinton v. Goode* (1884) 73 Ga. 233; *Flemming v. Shelton* (1884) 43 Ark. 168.

A similar view seems to prevail in Maryland. See *Boston & A.R. Co. v. Mercantile T. & D. Co.* (1876) 82 Md. 535, 38 L.R.A. 97, § 8(c), post. But the expression of opinion in that case is not direct and explicit.

The rule of strict construction has also been adopted under the Civil Law. See § 9, post.

⁶ *Re Striker* (1899) 158 N.Y. 526, referring to *People v. Remington* (1887) 45 Hun. 329. Aff'd. 109 N.Y. 631 (memo.).