

Hon. Mr. CASGRAIN—It cannot be done.

Hon. Mr. LOUGHEED—It is done almost every day, because the property and assets of the road are now made chargeable with all the liabilities of the road attending the running expenses. How hereafter will the creditor have any redress, unless he enters upon a very technical and very abstruse class of litigation, attaching the rents and profits of the road, asking for the appointment of a receiver, which will result in a receiver going in and taking possession of the road?

Hon. Mr. CASGRAIN—When a creditor desires to sue a railway company and attach the property of the company, if there are any bonds, the bondholders immediately intervene, and the man is out his costs.

Hon. Mr. LOUGHEED—My hon. friend is amending the law in that regard. That is the object of the Act. The law provides that the rents and profits as well as the property and assets shall be liable for the running expenditure. Now you propose cutting out the property and assets which are the tangible method of realizing the claims against the company, and leaving the rents and profits, or revenues as we may term it, only available for the satisfaction of claims against the company.

Hon. Mr. POWER—Can the hon. gentleman give any instance where the employees of a railway company failed to get their money?

Hon. Mr. FERGUSON—If hon. gentlemen will look over the interpretation clause of the Railway Act in detail, they will find that the effect of this would be to put the bonds in a position above taxes.

Hon. Mr. CASGRAIN—Taxes remain.

Hon. Mr. FERGUSON—No, they do not. Under the Act, working expenditure is made to include not only rent and hire of rolling stock, but all rents, charges or interest on the purchase money of lands belonging to the company, purchased but not paid for. Why should the interest of the bondholders be placed above that of the owner of land sold to the company, on which the company has not made payment.

Would that be right to put the bondholders' claim above salaries and wages of persons employed in and about the working of the railway?

Hon. Mr. CASGRAIN—Where do you find the word 'property' under the item of expenditure?

Hon. Mr. FERGUSON—In defining what 'working expenditure' means, the subsections includes all these things. Clause C reads:

All rents, charges or interest on the purchase money of lands belonging to the company purchased and not paid for.

Why should the bondholder's right be put ahead of that of the vendor of this land to the railway company? Why should it be ahead of taxes due to the government or municipality? Why should it be placed above the salaries and wages of persons employed in and about the working of the railway? It is a far-reaching provision.

Hon. Mr. POWER—It is a remarkable thing that we had this law for forty years and it never caused any inconvenience or difficulty, and now hon. gentlemen see dreadful consequences if we go back to the law which existed up to 1903?

Hon. Mr. LANDRY—Why did they change?

Hon. Mr. POWER—One can readily understand that if the law remains as it is, now that attention has been called to its present condition, it would be almost impossible to secure the capital necessary to carry on the building of any railway in this country.

Hon. Mr. LOUGHEED—May I give my hon. friend an instance of where the old law worked a very great hardship upon creditors? I refer to the Baie de Chaleurs railroad, in which we, this session, provided that the creditors of long standing should be paid by the promoters, if I mistake not. I think I recall a clause that the Railway Committee inserted in the Bill that they should pay those creditors. They included a great number of working men who had worked for the company, creditors who had furnished supplies for the company, and who, through that employ-