

*Dominion Companies Act*

any other member of the house has yet adequately justified the proposed amendment. I do not see why the minister is now cutting down the period from a year to two months, nor do I see the point of the hon. gentleman to my right in raising it one month more. While I may be affected to some slight degree by the personal experience of the minister I do submit after all that he was in a better position than the unfortunate wage earners were at that time, and that his suffering was considerably less than theirs. In my opinion the government will not improve their position by amending this legislation in this way.

Mr. JACOBS: Does my hon. friend want to improve the position of the government?

Mr. GARLAND (Bow River): If they can improve their position by passing good legislation that takes into consideration the well being of the masses of the people rather than of a few directors, I am in favour of their doing so.

Mr. JACOBS: Does my hon. friend know that this is an exceptional law? The indebtedness is always due by the company, but inasmuch as the workmen may or would suffer they have incorporated a special clause which says that in addition to the company proper the directors also will be responsible. That is why we want to make it as light as possible on the directors, because at common law they are not responsible; it is the company that is responsible. By special statute, however, we are saying that inasmuch as the directors might have exercised more care and prudence in seeing that the people were paid, they should be penalized by being made personally responsible in addition to the responsibility of the company.

Mr. GARLAND (Bow River): I do not think the directors should be allowed to escape the full onus of their responsibility if they neglect to inform themselves in connection with the affairs of the company.

Mr. CASGRAIN: They do not.

Mr. GARLAND (Bow River): The hon. member has interrupted quite a lot, but I am not sure that he knows very much about it.

Mr. CASGRAIN: I know as much as you do.

Mr. GARLAND (Bow River): Then I am surprised that the hon. member is not defending the rights of the workingman rather than the rights of the directors.

Mr. CASGRAIN: I am doing it in my own way.

[Mr. E. J. Garland.]

Mr. MERCIER (St. Henri): I doubt if there has been a workingman who has had to claim wages for one year.

Mr. CAHAN: Unless you change this statute it simply means that the moment a director finds that there is a delay in the payment of the wages of the employees he will resign to escape this liability, because the moment he resigns he is free of further liability. What we desire is to have a provision in this statute by which the director will know exactly what liability he assumes personally by continuing to give his services in the direction of the affairs of the company. Rather than have wholesale resignations such as we have seen in past years to escape this personal liability I was suggesting that the period be made two months. I am perfectly willing to accept three months, or if the committee prefers four months I am quite willing to accept that. My own view in the matter is not decisive, but if we continue the section as we have it now, so that a director's liability for wages continues for one year you will find in the future, as you found in the past, that you will simply provoke the resignation of directors without protecting the workingmen.

Mr. BUTCHER: I notice that under part I of the present act directors are liable for wages for six months. That is in section 113, which reads:

The directors of the company shall be jointly and severally liable to the clerks, labourers, servants and apprentices thereof, for all debts not exceeding six months' wages—

That is in the case of a public company. Here we have the case of a company incorporated by statute, where the period of responsibility is twelve months. I think that is excessive; I agree with the Secretary of State, and I am quite willing to support the amendment, reducing it to six months.

Mr. CAHAN: Supposing we agree on six months, which is certainly ample.

Mr. MITCHELL: I cannot agree to that. The minister said he had received representations from many sections of the country, from men skilled in this form of legislation. So far as I know he has not consulted any of the labour organizations in this connection. I do not know that any great injury was done to business under the old legislation, and I think some protection is due the men and women engaged in industry, under legislation of this description. I do not see any reason for the change.