

things. The first is that for forty years railways were conducted under the condition in which the bondholders had as a security the property of the railway, and its income, and under that condition the bondholders were perfectly safe. Now, we have had forty years' experience of that, and that experience has been quite satisfactory, I have every reason to believe—so I am assured. The condition in which we want to place the creditors is the condition in which they were for these forty years before the Act of 1903 was passed. After forty years' experience of these conditions, the House ought to feel a reasonable guarantee that these conditions were not faulty, unreasonable or injurious to any party. We are simply asked to restore those conditions by the amendment of my hon. friend. I do not think the proposition is a very unreasonable one. If it can be shown that under the old conditions harm had come to the creditors of a road, I would say do not pass the amendment, but it does appear to me that possibly if this amendment is allowed to stand, harm may come to future mortgagees or to those who make loans to railway companies. I can understand that a bondholder who feels his security comes ahead of everything, ahead of the working expenses of the road and the wage-earners, is in a strong position; but if he feels that the creditors of the road may attack the corpus of the road—that is the property and assets—as they can under the present law, he feels his position is not so good. Supposing we make the bondholder as secure as he was prior to 1903, what harm can be done? If we place the capitalist in a less secure position than he was prior to 1903, is capital likely to be invested in railway enterprises? I think it would not be. Capital is exceedingly sensitive. Without capital we cannot go on. If, on the other hand, it can be shown that the creditors of the road, or those who were dependent on the road for wages had been prejudiced by the old condition of things, then I say we should protect the ordinary creditors. The weight of evidence, to my mind, is in favour of the old condition, under which no harm can come, under which capital has been freely invested in

Canadian railways, and under which wage-earners and the ordinary creditors of a road have not suffered much disadvantage. Of course, banks may be less ready to advance money for the purpose of ties or betterments. That may be all very well. A railway will generally bear a debt to its ordinary bonding capacity, although if more money were wanted for ties or betterments, then the railway could put on a second mortgage as was done in the case of the Grand Trunk, and as was really done in the case of the Canadian Northern so far as it runs through Ontario. There is always an opening for an improvement of the road; but to say that a condition of things that existed forty years ago ought to be changed, without any evidence that that change was necessary, is, to my mind, anticipating legislation that was not really called for. As to the insertion of the words where it is proposed to strike them out, on looking closely into the matter, I can see how the draughtsmen could very naturally place those words there; but a draughtsman with full knowledge of railway conditions would not insert them without calling special attention to it. I think the amendment proposed by the hon. gentleman from De Salaberry is opportune, although I do not feel that it is specially called for. Railway men get their pay at thirty days. No railway can operate if the workmen go on strike. Wages may be the condition which it is proposed to attach by his amendment to the liabilities of railways, and it may perhaps add additional security or guarantee, although I do not think in the experience of Canada for fifty years in railroad matters even, that that condition is required. However, as it is perhaps a kindness shown to those people depending for their daily wages, I will accept that amendment as one that can do no harm and will have a tendency to place those who might otherwise feel in a helpless condition, and that their interests were prejudiced. So far as I can understand the question, I incline to the view that we had better restore the old condition of things, as no harm has come to anybody from it, and that amendment which is proposed by my hon. friend to the Bill is

Hon. Mr. ROSS (Middlesex).