practice under the Bankruptcy Act come before us. Therefore we had a wealth of experience and evidence to study.

Any revision of the Bankruptcy Act is a very important subject. We should thank the sponsor of the bill (Hon. Mr. Higgins) for telling us tonight that which is true in some ways—what one should not do if he wishes to avoid becoming a bankrupt.

I may express the opinion, honourable senators, that under the provisions of the bill, and under summary administration provisions as they exist, should you face possible bankruptcy and still want to go your way, if you operate within the limits provided, you may still be able to escape without ever being designated a bankrupt and with some orderly consolidation of your debts, under the auspices of the court, where you can have them worked out.

There is one limitation in this. Under the bill, if you ever get to the position where you come to the clerk of the court for a consolidation of indebtedness, thereafter, and until you have paid all your debts, you must not incur more than $200 of new debts. That puts a check-rein on the debtor. He can take one plunge and go quite a distance, but then he has to stay within the somewhat definite limits until he has paid his debts; otherwise, the consolidation order goes by the board and he is exposed to the full provisions of the Bankruptcy Act.

Since the word bankruptcy has been thrown around in this place and elsewhere, with secondary meanings, and even with fifth and sixth meanings, I think I should point out that the Bankruptcy Act is a nonpolitical statute. It deals with assets and liabilities of individuals and corporations and relates not at all to politics. It does not cover, nor has it jurisdiction in relation to, ideas or policies or parties.

Hon. Mr. Roebuck: May I ask whether there is any provision for the payment of the clerk or does he perform his services free?

Hon. Mr. Hayden: I think there is, but I did not go into detail of that kind.

Hon. Mr. Roebuck: It is rather an important point.

Hon. John J. Connolly: Honourable senators, what the honourable senator from Toronto (Hon. Mr. Hayden) said in conclusion is very true. A few days ago the Leader of the Government (Hon. Mr. Brooks) said that part of that mass of legislation which comes before Parliament every session has no political implications or connotation. Certainly this is a measure of that character. This is a bill with which the Senate is able to deal effectively, as we can give it the kind of study it needs. Having listened to the honourable senator from Toronto (Hon. Mr. Hayden) and, indeed, to the sponsor of the bill (Hon. Mr. Higgins), I think we all realize that we can give the bill the kind of study it deserves.

It was interesting to hear the sponsor of the bill say that part of the reason for this legislation arises from the fact that legislation of this character in Alberta was found to be *ultra vires* of the provincial legislature.

Honourable senators who come from the province of Quebec know that there is on the statute books of that province, and has been for many years, legislation called the Lacombe Law. That law has an effect very similar to this. I wonder if the officials in the bankruptcy office could enlighten us as to why the Alberta legislation might have been *ultra vires* and why this Quebec legislation—with which I was at one time reasonably familiar but about which I have forgotten a good deal—is not *ultra vires.*

Hon. Mr. Higgins: May I remind the honourable senator that the Manitoba law was passed in 1952. It would be in force still if it were not for the fact that Alberta passed an act in 1957 or thereabouts and got suspicious about its validity, and it went to the Supreme Court of Canada. If the Alberta legislation had not gone before the Supreme Court of Canada, the Alberta and the Manitoba acts would be in full force now. I did not wish to mention the Lacombe Law, as it is still in existence, but it still can be brought before the Supreme Court of Canada.

Hon. Mr. Connolly (Ottawa West): That is right. It is a matter which might well be raised in committee. There may be things about provincial legislation which, with appropriate amendments, might make it *intra vires* of the provinces.

I do not wish to take up the time of honourable senators with details, but I should like to suggest a few considerations for the chairman of the committee and for the witnesses who come to explain the measure we have before us.

For example, subsection (1)(b) of section 176 refers to the fact that at the first meeting the clerk will settle the amount to be paid into court by the debtor. This may well be the kind of summary treatment of the statement of debts to which the honourable senator from Toronto (Hon. Mr. Hayden) referred. I would think that the settlement of an amount of that kind might well abide a meeting of the creditors and, indeed, if inspectors are to be appointed, a meeting of the inspectors themselves.

Furthermore, despite the fact that this bill deals with small estates, there would be great