

APPENDIX

BRIEF FILED BY THE BOARD OF TRADE OF THE CITY OF TORONTO

The Honourable ELIE BEAUREGARD, K.C., Chairman,
and Members of the Senate Standing Committee
on Banking and Commerce,
Ottawa, Canada.

Honourable SIRs:—

SENATE BILL A-5

AN ACT RESPECTING BANKRUPTCY

The Board of Trade of the City of Toronto is primarily a trade association incorporated by Special Act of the Parliament of Canada originally dated February 10, 1845. Its present membership comprises over four thousand business and professional men engaged in all branches of commerce, industry and finance, and in various professions, many of whom operate nationally and internationally. A substantial number of these members are accordingly interested in legislation respecting Bankruptcy. The Board, therefore, appreciates the opportunity afforded by the Senate Standing Committee on Banking and Commerce of placing before the Committee, on behalf of its interested members, its considered views with regard to Senate Bill A-5 respecting Bankruptcy.

Bill A-5 has been studied in detail by a Committee comprised of representatives of both local and national organizations of unsecured creditors and secured creditors and, in addition, well known licensed trustees. The conclusions of this Committee were subsequently approved by the Council which is the governing body of the Board.

While this Board speaks only for itself, it is desired to advise the Senate Committee that its recommendations are the reconciled and considered opinions of responsible members of the three main groups interested in bankruptcy and competent to speak on this subject matter by virtue of their knowledge and experience.

The Board respectfully submits for your consideration the following comments and recommendations respecting the various clauses of Bill A-5, named:—

INTERPRETATION

Special Resolution—Section 2 (gg)

The basis of voting approval on a special resolution in Section 2 (gg) should be as recommended below under Section 15.

Transaction—Section 2 (jj)

A definition of the word "transaction" has been introduced in Section 2 (jj) to eliminate unnecessary verbiage and repetition of words. While it has this advantage, it also has the disadvantage of losing a large body of settled law in the Court's interpretations of the meaning of the words which no longer will be used. It is to be expected that for a period of time there will be uncertainties under the new definition until doubtful points are again settled by the Courts. Accordingly, the wording of the proposed clause should receive the most careful legal scrutiny with a view to reducing possible doubtful points to the minimum.