

Hon. Mr. ASELTINE: Then if a meeting takes place 10 per cent of the creditors may require the debtor himself to be examined.

Mr. REILLEY: Or ask for a further investigation.

Hon. Mr. HAIG: What percentage of the creditors have to approve of the compromise?

Mr. REILLEY: Seventy-five per cent.

Hon. Mr. HAIG: In value and number both?

Mr. REILLEY: No. "A majority in number of all the creditors, or of any class thereof, with proven claims of \$25 or over, and holding three-quarters in amount of all such proven claims of creditors or class of creditors, as the case may be, in so far as the proposal affects any such class, present in person or by proxy, resolve to accept the proposal as made"—a majority of 75 per cent.

Hon. Mr. HAIG: In my experience I would get 75 per cent in amount because some of the bigger creditors would be only too anxious to carry on the business, and the little creditors would get squeezed to death. I would say it should be 75 per cent in amount and 75 per cent in number—both.

Mr. REILLEY: Well, this is the provision found I think in virtually every Act of Bankruptcy. I do not think you will find as high a percentage as you have suggested.

Hon. Mr. MORAUD: Number and value ought to be fair enough.

Hon. Mr. HAIG: Value does not help you much; it is the number.

Mr. REILLEY: The proposal has to be accepted by a majority of the creditors. After all, the majority rules.

Hon. Mr. ASELTINE: The bulk Sales Act of each province provides for a similar percentage in number and amount as suggested by Senator Haig. It works out very well.

Mr. REILLEY: This is a majority of all the creditors holding 75 per cent of all the claims.

Hon. Mr. MORAUD: I think it is fair enough.

Hon. Mr. HAIG: It is what gives you the trouble.

The ACTING CHAIRMAN: But you have to get a majority in number and also 75 per cent in value. That is pretty drastic.

Hon. Mr. HAIG: If you made it 75 per cent in number and 50 per cent in value this would be all right.

The ACTING CHAIRMAN: Then you might get a few of the small fellows bought off at 100 per cent. I suggest that we do not spend too much time on the details. We want to get the general picture.

Hon. Mr. HAIG: Certainly.

Hon. Mr. KINLEY: Is there anything on preferred creditors?

Mr. REILLEY: That is dealt with further on in the bill when we come to distribution.

The ACTING CHAIRMAN: This composition question is also dealt with at page 23. What are the changes in that respect?

Mr. REILLEY: In the case of a corporation, where a proposal has been before the creditors and has not been approved, the corporation can apply to the court to appoint a committee.

The ACTING CHAIRMAN: What section is that?

Mr. REILLEY: Section 23 at page 21. The Committee will investigate the affairs of the corporation, hear representations from any persons and it will then try to formulate a proposal and that proposal is submitted to the creditors or shareholders as the case may be, for their approval.