change that, and if any advantage or benefit or preference was obtained over any creditor the transaction will be invalidated. The effect of that would certainly be serious on ordinary business procedure.

I have a few more observations to offer with regard to section 69. As this section now stands in the Act, in order to enable a man to establish that he did not obtain a preference he must prove that the transaction was entered into in good faith before the date of the receiving order and without notice of any available act of bankruptcy. The new provision would add the following requirements: That the valuable consideration be adequate, that there be no knowledge of the insolvency or commission of an act of bankruptcy, that there be no reason to suspect insolvency or commission of an act of bankruptcy. This would really give rise to difficulties in a bank transaction. For instance, it would be very difficult in the case of a security given, particularly an additional security, where a bank felt positively that it was given for adequate and valuable consideration when it was really given for money already loaned and upon which some security had been taken, but that security perhaps had lost value in some way and the situation had developed to a point where the bank felt some additional security of real estate or something of that sort was necessary. The shifting of the onus here, which would require the bank or other person to bring itself within the protection of section 69 (1), is going to be much more difficult to comply with by reason of that and also because of the very broad definition of insolvency, "reason to suspect insolvency or commission of an act of bankruptcy." We have discussed that and have seen that the failure to pay one particular debt after repeated demands is an act of bankruptcy. As a result a bank, knowing the man's failure to pay the debt was for a perfectly good reason, might be regarded as having knowledge that he had committed an available act of bankruptcy, and therefore could not bring himself within the protection, and the transaction would be invalid. There are so many uncertainties arising from the proposed provisions that our feeling—which I think is common with that of other members of the commercial community—is that it would be better to adhere to the existing provisions and the body of law built up under them, over a period of twenty-five years, than cut loose from them altogether and throw the whole situation in the air so that no one would know just where he stood.

I should like now to make a rather broad jump to section 110 at page 72 of the Bill. It deals with proof of claims. Subsection 1 reads:—

> Every creditor shall prove his debt as soon as may be after the filing of a proposal for a composition or after the bankruptcy—

Then there is this penalty added:—

> —otherwise he shall not be entitled to share in any distribution that may be made.

It is quite proper to impose a penalty if a man does not prove his debt, but how soon is, "as soon as may be"? It seems to me there ought to be some precise method of ascertaining when a debt should be proved within some time limit. One court might hold a month was the time; another, that two years was not out of the way. Without some clear-cut definition it is very difficult to know where you are.

Hon. Mr. HAIG: What would you suggest, six months, one month?

Mr. ROGERS: I really would not make a sound suggestion because I think it could come better from the Superintendent of Bankruptcy himself, who has had wide experience in bankruptcy.

The CHAIRMAN: That is just a suggestion you are making?