

It is further recommended that amendments be made to the Bankruptcy Act to provide for compositions, extensions of time or schemes of arrangement before, as well as after, a receiving order or authorized assignment is made, and attached hereto will be found our recommendations as to the scope of such amendments.

According to the Report of the Internal Trade Branch of the Dominion Bureau of Statistics, in 1930 there were 10,124 companies in wholesale and retail trade and service establishments as opposed to 151,836 partnerships or individual traders. It cannot be seen why the privilege of making a composition before bankruptcy, which is now available to incorporated companies only, should not be extended to individual traders and partnerships, and, in case the amendment proposed above to the Companies' Creditors Arrangement Act is enacted, to the classes of companies not covered by that Act.

The creation of the office of Superintendent of Bankruptcy and the general revision of the Bankruptcy Act as a whole in more recent years has entirely changed the course of bankruptcy proceedings. Bankrupt estates are administered by licensed trustees, and creditor-inspectors, subject to the control of the courts and to the supervision of the Superintendent of Bankruptcy.

It is hardly necessary to state that the safeguards provided by the one Act and the very loose provisions of the other make unfavourable comparisons possible and explain the popularity of the Companies' Creditors Arrangement Act with any fraudulent debtor who desires to be relieved of liability under the more favourable auspices of an Act which makes a close scrutiny of his affairs very difficult. It is believed that it was never the intention of the Act that it should cover such cases and the purpose of the proposed amendment is to restrict its application to the cases it was intended to cover.

I have here, sir, both the proposed amendments to the Companies' Creditors Arrangement Act and a list of suggestions which we have drawn up covering proposed amendments to the Bankruptcy Act, if it is the wish of the committee that these be read.

Mr. VIEN: I think they should be read, Mr. Chairman, so that we shall have them in the record.

The CHAIRMAN: I think they could be placed on the record without being read.

Mr. MARTIN: In that event there will be no opportunity of questioning the witness.

Mr. VIEN: It would be interesting to hear the proposed amendments. Could you read the proposed amendments?

Mr. FRASER: I have a number of copies here.

Mr. VIEN: At the same time, I think they should be read into the record.

The CHAIRMAN: Distribute the copies.

Mr. VIEN: This will be printed, Mr. Chairman?

The CHAIRMAN: Yes. Is it the desire of the committee to have Mr. Piper read the amendments?

Mr. HOWARD: Yes; they are only short.

The CHAIRMAN: Read them, Mr. Piper.

Mr. BERTRAND: Mr. Piper, will you read the amendments?

The WITNESS: Yes, sir. I may say, Mr. Chairman, that most of the interests which I know are represented here this morning are in agreement as regards these amendments to the Companies' Creditors Arrangement Act designed to remove the abuses of which we have complained.

Repeal Sections 3 and 4 as they now stand and substitute the following:—

3. The provisions of this Act shall not apply in the case of any debtor company unless there is outstanding an issue of bonds, debentures,