

bankrupt sometimes, and but for the provision that he cannot claim any privilege you would never get at the facts. If the debtor is honest he will answer all right, and if he is a crook I do not think he deserves any mercy.

Hon. Mr. KINLEY: He is not a crook till he is proved to be one. This law seeks to get the proof out of his own mouth.

Mr. JUSTICE BOYER: That may be, but there may be a prima facie case against him.

There is another matter. I understand that subsection 10 of section 23 has been a subject of some discussion. That subsection allows the judge, when the parties cannot agree on a compromise, to impose one on the parties. That is a pretty radical departure from the old law. There is one suggestion I would make, namely, that if you allow that subsection to stand it should be restricted to public utility companies. In that case the public is interested. On the other hand, if the public has rights, it must also have some obligations, and if you cut down the rights of creditors and shareholders there might be a question of increasing the rates to be paid by the public.

I believe that decentralization is another point that came up.

Hon. Mr. HAIG: Yes.

Mr. JUSTICE BOYER: So far in Quebec only two registrars have been appointed, one in Quebec and one in Montreal. Decentralization might entail considerable delay. A judge sits in the rural districts only three or four times a year.

Hon. Mr. HAIG: It is the same in Manitoba.

Mr. JUSTICE BOYER: Again, in the act there is a provision for appointing a judge especially to handle bankruptcy matters. Well, if one judge is appointed especially to handle bankruptcy matters he cannot be attending to them all around the province, especially in the province of Quebec, where we are short of judges already. In commercial matters, at least, if the debtor is from Montreal, practically all the creditors will be in Montreal, with perhaps a few in the rural districts. And if the debtor is in Quebec, you will find practically all the creditors there. So as the matter stands now, it is satisfactory.

Hon. Mr. HAIG: Mr. Chairman, I would suggest that the committee adjourn.

The committee adjourned at 1 p.m., to resume when the Senate rises.

The committee resumed at 4 p.m.

Hon. Mr. HUGESSEN, Acting Chairman.

The ACTING CHAIRMAN: Does the committee wish to continue asking questions of Mr. Justice Boyer?

Hon. Mr. KINLEY: Perhaps Mr. Justice Boyer could tell us how the Companies' Creditors Arrangement Act and the Bankruptcy Act are related.

The ACTING CHAIRMAN: I was going to ask his Lordship to give us his views on whether it is a good thing to abolish the Companies' Creditors Arrangement Act and the Winding-up Act in so far as it relates to insolvent companies, and to have the provisions in regard to bankruptcy placed in one statute. That is really the effect of this legislation.

Mr. JUSTICE BOYER: I see no objection to having the provisions incorporated in one statute. Originally when the Bankruptcy Act was first passed you could ask for a compromise without going through bankruptcy, but that provision was abolished later on. It is of course for you to say, but I would suggest that the Winding-up Act remain as a law for winding up companies that are not insolvent and which come within the jurisdiction of the federal parliament, that is companies incorporated by federal statutes and doing business in more than one province.

I want to correct a statement I made this morning, Mr. Chairman. I stated there should be an appeal from any decision of the Superintendent of