

can easily, after that, withdraw the bill, and allow the Minister of Justice or the Minister of Trade and Commerce to deal with the matter.

Mr. LANDERYOU: The witness stated that a letter had been written to the Minister of Justice regarding the regulations or amendments to the Act which they proposed in conjunction with the Montreal Board.

The WITNESS: Yes.

Mr. LANDERYOU: Would you give us the list there? Have you got it with you?

The WITNESS: Yes. We have it. I have just one copy here.

Mr. LANDERYOU: It should be placed in the record, I think.

Mr. HOWARD: Put it on the record.

The WITNESS: It is the memorandum that was followed by the rules on the second page.

The CHAIRMAN: Do you want it put on the record? It is very lengthy. I do not know. Is it the pleasure of the committee that the statement should be put on the record?

Mr. BERTRAND: I think, Mr. Chairman, it might not be necessary to print it, but it should be filed with the clerk.

Hon. Mr. STEVENS: What is it?

The CHAIRMAN: You might describe it, Mr. Kelly.

The WITNESS: The general purposes of the rules are these: We felt that the unsecured creditors were not adequately protected; being divided, not having a trustee or anybody to organize them, they very often had no voice and no way of getting at the facts. The rules are designed somewhat similarly, I gathered—although I have only heard them once—to the amendments to the Bankruptcy Act; to install a trustee as chairman of the meeting under the Companies' Creditors Arrangement Act to preside at the meeting, to investigate if necessary the statement of affairs provided by the company in applying to the court; to report to the creditors where he has verified the statement and to the court where there is any reason why the proposal should not be approved. It is all done without interfering with the Act at all, but merely to bring light, daylight, into every step that a debtor takes when he seeks to avail himself of the Companies' Creditors Arrangement Act. It is not hampering him at all; but still if he is going to do any of the iniquitous practices that Mr. Piper has spoken about, at least he will be conscious that there is a licensed trustee looking over his shoulder, watching him, and ready to tell the creditors when the meeting comes along.

By Mr. Bertrand:

Q. They form part of your submission?—A. They form part of our submission, except that we are content to allow the whole matter to stand with an amendment to the Companies' Creditors Arrangement Act. I think Mr. Piper introduced bankruptcy amendments which, frankly, appal us; because we think, as one of the members of the committee said, that it is a very delicate thing.

Q. In that case, I think it should be printed, Mr. Chairman.

THE COMPANIES' CREDITORS ARRANGEMENT ACT

Memorandum on Certain Weaknesses Experienced in the Operation of the Act as to the Claims of Unsecured Creditors Together with a Draft for General Rules under the Act for the Purpose of Affording Better Protection to Unsecured Creditors.

Although Section 17 of this Act contemplates that General Rules of procedure thereunder would be made, none have been laid down yet.

[Mr. J. Gerard Kelly, K.C.]