taken under Part X, this does not prevent anybody taking bankruptcy proceedings under other provisions of the act.

Section 194 sets out that a decision or order of the court under Part X is subject to appeal in the same manner as other decisions or orders of the court in a civil action.

Section 195 provides that a copy of every consolidation order be sent to the Superintendent of Bankruptcy. The clerk also reports to the superintendent upon the conclusion of each proceedings under Part X.

Section 196, which I mentioned earlier in relation to section 174, authorizes the Governor in Council to make regulations for carrying into effect the purposes of Part X, including the prescribing of forms and fees, the designating of the appropriate court in provinces other than Alberta and Manitoba, adapting the Part to the particular circumstances of a particular province, varying in respect of any province the classes of debts and amounts thereof to which Part X applies, and changing or prescribing, in respect of any province, the classes of debts.

Section 197 provides that the accounts of every clerk of the court, under Part X, are subject to audit by the appropriate provincial authority.

Section 198 sets out that Part X—and this is important—comes into force in any province only upon the issue of a proclamation by the Governor in Council at the request of the Lieutenant-Governor in Council of the province concerned. In other words, Part X does not come into effect in any province unless such province requests that the Governor General in Council shall issue an order making it apply.

Clause 4 of the bill relates to the repeal of the summary administration provisions of the Bankruptcy Act and makes it clear that, if a bankruptcy is being administered under such provisions when Part X comes into effect, it will continue to be so administered.

Hon. Mr. Davies: May I ask the honourable senator a question? Did I understand him to say at the beginning of his speech that there is a limitation on claims to be made against a man in business who becomes bankrupt, that a certain portion of his assets may be set aside for his own benefit?

Hon. Mr. Higgins: To the extent of supplying necessities for himself and family.

Hon. Mr. Davies: Thank you.

Hon. Salter A. Hayden: Honourable senators, there are a few things I would like to say in connection with the bill now before us. Having been on the Banking and Commerce Committee of the Senate when the Bankruptcy Act was revised in the late forties, and having been given the arduous job as chairman of a subcommittee which dealt with the portions of the bill then before us—and where there was a contest, and representations were being made, the subcommittee was told to sit down with these people and resolve their problems—I acquired some smattering of knowledge of the provisions of the Bankruptcy Act.

This application of the Bankruptcy Act is a broad subject dealing generally with providing the machinery by which a debtor's assets may be liquidated in the best interests of and for the benefit of his creditors. But the subject matter of the bill before us tonight is a very narrow one; it deals only with summary administration in cases where the debts of the individual—and it applies only to individuals—are within a certain range limit.

Now the law as it stands at present, provides that the summary administration sections 114 to 116, inclusive, apply where the assets of the debtor, apart from all secured claims, are not in excess of $500. That is the area in which the act at the present time applies.

The summary administration provisions are contained in these three sections, 114, 115 and 116, and while they still provided for a trustee in bankruptcy, such trustee did not have to make a deposit in order to guarantee a faithful and honest performance of his duties. Also, there were no inspectors. In practice, abuses developed even within that small area, and salaried individuals would go on a buying spree; then they would meet with a very co-operative trustee and there would be a summary administration of their affairs. The machinery even went so far as to provide that when the trustee was sending out a notice to creditors he would include in the material a notice for fixing a day when the debtor might be discharged from his bankruptcy. So there was a very friendly sort of spirit, and the summary administration provisions were never intended to cover the kind of situations that have developed.

What does this bill do? This bill repeals those sections and provides a new Part X in which a different kind of machinery is set up for individuals who fit within these conditions, namely, that the creditors' claims individually must not exceed $1,000. If there is a judgment, for instance, for more than $1,000, that creditor may come in and take part in this summary administration, if he agrees to come in. Now it would appear to me that that kind of provision is open to at least as much abuse as the provisions being repealed.