

of the debts which the bank may owe. But it was held by the courts that that clause could not be put in operation until the assets of the bank were exhausted, and that put off indefinitely the time when the stockholders could be called upon to meet their liabilities under the double liability clause. Under the amendment the double liability clause can be used without waiting until the assets of the bank are called in, but there is no legislation beyond that for the passing of the estate into the hands of the liquidator. There is no provision giving the liquidator the powers to which I have referred: there is none for giving the court power to ascertain whether the bank is insolvent or not; and none to give to the court or to the liquidator power to deal with the assets of the bank or with the liquidator in a summary way. In the banking act there is just a provision to meet the difficulty which was experienced with respect to the double liability clause not being capable of being used until after the assets were all called in. None of the provisions of this bill, to which I have alluded, are in the banking act.

HON. MR. McMASTER—I desire to call attention to the fact that clauses 57 and 58 of the act provide that if a bank should fail to meet its liabilities within ninety days, that constitutes insolvency; and provision is made for the appointment of an assignee. In the event of its remaining in this position for six months, power is given to the assignee, or to the directors, to make an assessment, at intervals of thirty days, for the purpose of meeting the liabilities without reference to the assets. This is a very important provision, and it appears to me that there is no great necessity to include banks with the other companies in this bill, in view of the provisions to which I have referred and which appears to be quite ample.

HON. SIR ALEX. CAMPBELL—We will consider that in the committee.

HON. MR. SCOTT—Is this Bill intended to supercede the banking act?

HON. SIR ALEX. CAMPBELL—No.

HON. MR. SCOTT—I notice, with reference to the clauses to which my hon. friend alludes, that the time specified is

the same as that mentioned in the banking act—ninety days—before any proceedings can be taken before the court, but the observation which the hon. Senator on my left (Mr. McMaster) has made is a very pertinent one—that it is the case of other corporations than banks that this measure is intended to meet. It may possibly be a matter for the committee to decide whether the clauses of the banking act are sufficient, and whether the banks might not be excluded from this measure. We all admit that the time has arrived when legislation of this kind is necessary, and we should have some law upon our statute-books by which the vast number of ephemeral corporations, which have become insolvent, should be wound up. This legislation is not a day too soon. I assume that the Government are not committed to the principle of including banks, and that if the committee are of opinion that the legislation which already provides for the winding up of insolvent banks is sufficient, the provisions in this bill will not be made to apply to banks. Their case is different from that of ordinary trading companies, being institutions of an entirely different character; however I shall reserve any opinions I may have to express until the bill is before the committee.

HON. MR. ALEXANDER—This appears to me to be a measure of such importance that, the hon. leader of the House having already explained its details, I am sure there are many members of the Senate who desire to have the discussion on the second reading stand over until to-morrow, in order that they may thoroughly digest the remarks which he has made, and understand in what manner the interests of shareholders are to be dealt with. It does appear to me that it is an excessive power which this bill proposes to give to the court to appoint a liquidator to deal with the property of shareholders in this summary manner, without the shareholders having any voice in the appointment of the accountant or liquidator. Suppose we are all shareholders of a bank, the bank suspends, under this measure application is made to the court to deal in a most summary manner with our property! We have no voice whatever in the appointing of the accountant or liquidator in order that we might have some hope of the shareholders' interests