

forward and frankly accepted the dividend which the debtor thought he could pay. If, under the circumstances, a measure such as is contemplated by this Bill could be reached, I certainly think it would be without objection; but there are so many clauses in the Bill to which I presume some exception will be taken, that I think it can only properly be considered by a committee, where the opinions of gentlemen both outside and inside of this House can be obtained, with the view of making it as perfect as possible, if the principle of the Bill meets with the approval of the House. That is the main question for our consideration to day. I have no hesitation in expressing my own opinion that a measure such as this should pass, and that a man who has honestly distributed his assets should not be kept in the position which my hon. friend has spoken of, but there should be an inducement to a man, when he gets into difficulty, to place his affairs honestly in the hands of his creditors, knowing that the law will give him a discharge if he has acted honestly.

Mr. THOMPSON. I understood that the hon. gentleman who introduced the Bill expressed himself last evening as entirely willing, after the second reading of the Bill, that it should go to a special committee, or the Committee on Banking and Commerce, with the fullest opportunity to consider its details. With that understanding I think it would be expedient to let the Bill go to a second reading this afternoon.

Mr. PATERSON (Brant). I think this Bill is really enacting insolvency legislation again. Those who were members of the previous Parliament know that, when it was attempted to repeal the Insolvency Act difficulties were raised. Such an attempt tends to disarrange trade, and if you make it you are sure to find a large crop of men ready to take advantage of it. I trust that I am not insensible to humane feelings. I trust that I am not one of those who are inclined to grind down and keep in abject position those who are unfortunate in business. But I can scarcely agree with all the statements made by the introducer of the bill. The Bill is in effect to compel men who are not willing to take a portion of their debt in full settlement, to do so. That, on the face of it, I think hon. gentlemen will see, is something that can only be justified by very strong reasons. The hon. member has pointed out that it is very hard to keep an honest man, a man who has been unfortunate, in a position of being subject to obligations which he is unable to pay. To that, of course, every one of us would assent. We could all desire that it were possible for every creditor to receive his pay in full, and every honest debtor to have a discharge. But misfortunes happen to men engaged in trade. There are many good men, good business men, who have been unfortunate perhaps because of circumstances they could not control, and who have found themselves unable to pay their liabilities in full. But I differ from the hon. gentleman in this respect—I do not think these men are without hope simply because there is not an insolvent debtors discharge Act on the Statute-book. In the great majority of such cases there is relief for a man in that position without the operation of a Bill of this kind at all. A trader who becomes insolvent through misfortune, on the presentation of the state of his business to his creditors, will, I believe, in almost every case receive the assent of his creditors to a composition and discharge. I have been nearly a quarter of a century in business, and I think in that time I could point to very few commercial houses in Canada who have not been prepared to deal with the honest debtor in the most liberal manner. During that experience I have known a business man, a manufacturer, who has only once refused to sign a discharge, having done it in hundreds of other cases; but in this case he thought he was justified in withholding it, as did all the other creditors,

because they thought it was a case of such clear embezzlement and fraud on the face of it that it was in the interest of the general public that the man should be kept out of business. If the hon. gentleman is prepared to show that he knew of any number of cases of men who were unable to become free through the voluntary act of their creditors, then I would be willing to go a great way in helping him forward with his Bill; but in my experience I have been unable to find men of that description. It is true, he has read us a letter of one gentleman who embarked \$40,000 in a woollen mill, and upon whom reverses came and he was bound down and handicapped. I do not know the case at all, but I am sure that unless there are circumstances connected with it which would tend to make the hearts of his creditors close against him, I believe he would have found relief in the voluntary action of his creditors. I, at any rate, speaking of my business experience of wholesale men, manufacturers, traders, and of all those who are the creditors in this country, believe the experience has been, and it has found expression in monetary journals before now, that instead of being blamed for withholding their consent to deeds of composition and discharge, these men have been found fault with as a rule for being too willing to obtain a composition and discharge, and then re-enter trade advantageously against their neighbors who have tried to pay dollar for dollar. The hon. the Minister of Justice seems willing the Bill should go to a special committee. I do not know that I shall assume the responsibility of opposing it, if it be the desire of the House that the Bill should go to a special committee, but it seems to me that the proposition to place an Insolvent Act again upon our Statutes ought not to be lightly considered. I believe the right hon. the First Minister did, at one time, say it would be well at certain periods to pass an Act by which those who for years had been placed in a position of hardship, through the want of an Act, might be relieved, but, if I understood him, his idea was not to place an Act permanently on the Statute-book, but only to place one there periodically in order that relief might be granted. The mover of the Bill suggests that we can put this Bill upon the Statute-book this Session, and next Session repeal it. But we know the difficulties when an Act is once placed on the Statute-book, especially an Act of this nature, in the way of its repeal. We know that its repeal causes disarrangement in trade and commerce, and also that many will take advantage of its existence, knowing that it may be repealed, and ask for a composition, who otherwise would make an effort to meet their debts, and probably carry on their business successfully. The hon. gentleman designs that if a man who is conducting his business, and is conducting it at a loss, should ascertain his position and finds he is actually doing business at a loss, if he finds he is doing what his neighbors are doing, selling goods at cost, and any business man knows that if he sells goods at cost he cannot pay his honest debts—the hon. gentleman designs and this Bill provides if such a man stops at a period when he can pay 66 $\frac{2}{3}$ cents per dollar on his liabilities, the majority of his creditors in value and amount shall compel the large minority of creditors in value and amount to accept this 66 $\frac{2}{3}$ cents, though this minority may say: This gentleman should not have sold his goods at cost, but should have pursued prudent business methods. The Bill provides he may go on after he has found he is short that much, and apply to his creditors when he is only able to pay 33 $\frac{1}{3}$ cents in the dollar, for his discharge, only then he will require to have two-thirds of the number of his creditors representing three-fourths of the value of his liabilities. Then, if he finds he has run behind and is running still further behind, he can pay only ten cents or fifteen cents on the dollar, but the task devolves upon him to get a larger majority in proportion of his creditors representing a larger amount in order to