

Mr. REILLEY: You can I suppose put it that way if you like, but I am assuming that the courts are going to deal fairly and equitably with all concerned.

Hon. Mr. EULER: But it is all left to the judgment of one man.

Mr. REILLEY: All rights depend on the judgment of one man in the last analysis.

Hon. Mr. GOVIN: You are leaving everything to the absolute discretion of the judge as to the rights of the creditors, and in the exercise of that discretion he could set aside certain civil rights.

The ACTING CHAIRMAN: Have you considered the effect this would have on future large borrowings on securities?

Mr. REILLEY: I have, and my candid opinion would be that it would not affect borrowers in any way whatsoever, because the cases where this section would be applied would not be one in ten thousand.

Hon. Mr. EULER: Then why put it in?

Mr. REILLEY: As I say, I put it in to make the scheme complete.

The ACTING CHAIRMAN: I suppose you feel that if there is this ultimate power in the court it might make creditors a little more reasonable in coming to a voluntary composition—voluntary with a gun at their head?

Mr. REILLEY: It might help.

Hon. Mr. HAIG: It positively would help. There is no question about what would happen.

Mr. REILLEY: After all, you have first an investigation by a committee who have examined and investigated the situation and passed their opinion on it.

Hon. Mr. MORAUD: But the judge could do away with that opinion, take other evidence and decide that the bondholders had no claim whatever, or that they were not in a better position than ordinary shareholders.

Hon. Mr. EULER: I can well imagine, Mr. Chairman, that it might have the same effect as the Farmers Creditors' Arrangement Act had in Ontario. That Act worked to the detriment of the farmer himself, because no man would put his money in a farm mortgage if it could be partly wiped out. Who would want to buy a bond if it were in the power of a judge later on to say, "Your bond is not worth anything?"

Hon. Mr. HAIG: The only money lent on farm mortgages in Manitoba is by the Farm Loans Board. The private companies are not lending at all.

Mr. REILLEY: The Farmers Creditors' Arrangement Act is not in operation in Ontario and Quebec.

Hon. Mr. HAIG: But it scared them; they have had experience.

Hon. Mr. EULER: That is why it was wiped out here. Only Manitoba wanted the Act again. We defeated the bill by an amendment providing for the right of appeal to a judge. Next year the government came back with a similar bill embodying our amendment.

Hon. Mr. HAIG: But it is not worked the same now as it was before.

The ACTING CHAIRMAN: Let us stick to his bill, gentlemen.

Mr. REILLEY: Before I go any further, gentlemen, I want to say this. These are my suggestions. I am not married to any or all of them, and I do not care what the committee does in regard to them.

The ACTING CHAIRMAN: But you stand up to them. We want to hear your considered opinion.

Mr. REILLEY: Certainly. But I am not going to be hurt or feel badly because the committee say, "We don't think this provision is good." I want the committee to understand that so far as I am concerned.