By Mr. Martin:

Q. The effect of your submission, of course, is discrimination in the class of companies. I mean, section 3 of the proposed amendment clearly earmarks the character of the companies that shall come under the provisions of the Companies' Creditors Arrangement Act.—A. Yes.

Q. And the other kinds of companies and trade organizations that Mr. Piper mentioned, with a view to bringing them within the terms of the proposed amendment of the Bankruptcy Act, would be out.—A. I think it is really—if we are going to deal with the company, I think the discussion or the approach should be with respect to what creditors are you protecting rather than what companies are you dealing with. You can get into some difficulty if you keep looking at the debtor. After all, the debtor does not have to choose this Act at all. The debtor is free to do what he likes. He can go to the Bankruptcy Act or anything else. There is no compulsion on him. The effect of this Act is to give to a certain class of creditors—the majority of the creditors—power to coerce the minority to accept what appears to be a reasonable solution in the interest of the business community, rather than having one man hold out and say, "I have got a $100 debenture or a $100 bond and I will not agreed." We must work out some way of the majority enforcing what is in the interest of all, and not have a holdout. I think if you approach it from the company, it is misleading, because it is all dealing with creditors, because they are the only ones that have any complaints. I do not know whether I have met what you have stated.

Mr. MARTIN: As I understand it, the creditor would exist in the case of the smaller group, just as in the case of the larger group. Whatever way you look at it, either the creditor or debtor will, on the surface, be discriminated against, if these proposed amendments to the Bankruptcy Act are made.

Mr. BERTRAND: Mr. Chairman, in companies where there is an issue of bonds and a trustee, there is machinery where the creditors can come in and check everything and see where their interests should go or be left out; while in companies with no trustee and no bonds, the debtor is the only man that can come before the court and choose this law; and there is nobody to check up whatever he may say or whatever he may do, and that is why the trouble came up. Mr. Piper has forgotten to give to this committee the list of the cases in Montreal. You have 206 cases. It would be most important to have it.

The CHAIRMAN: Thank you, Mr. Bertrand.

Hon. Mr. STEVENS: What is puzzling me is this: as far as I understand, our order of reference is a bill, Mr. Bertrand's bill, which is a very simple bill calling for the repeal of the Companies' Creditors Arrangement Act. We have heard the Montreal Board of Trade and the Toronto Board of Trade. But there is a marked difference of opinion between these two important bodies on one part of the subject that has arisen, and that is amendments to the Bankruptcy Act. We all know that the bankruptcy law is an exceedingly difficult and delicate law. It is one that has been hard to design and very difficult to administer. It has taken many years to work it into what I might call smooth working condition—not perfect, but in fairly good condition. If we are going to launch into amendments of the Bankruptcy Act, I think this committee ought to go very slowly; not that I am for a moment criticizing any proposal that is made. But I do say that we should approach the question as a major subject, an important subject. Before the committee considers opening the question, I think they ought to have it studied by Mr. Finlayson, Mr. Reilley and others who are affected by these subjects—officers of the crown.

Mr. HOWARD: Yes.

Hon. Mr. STEVENS: And we should come here prepared, or at least with our officers prepared, so that when proposals—very definite and distinct pro-