

April 25, 1872

three hundred insolvents gazetted last year, and for the quarter ended 31st March last there were only 114 against 133 for the same period last year. He attributed many of the failures, not only to dishonesty on the part of debtors, but to the lax manner in which importers conducted their business.

He thought the law had had the effect of restricting credit, and causing more cash transactions. Unless an Insolvent could pay 50 cents in the dollar, he could not get a discharge for three years, and if he could pay 75 cents in the dollar he could get his in one year so that the tendency of the law was to induce a man to take advantage of the Insolvency Court while his estate would give a dividend to his creditors, instead of struggling alone until it was eaten up altogether. The argument had generally been in favour of amending the law instead of repealing it, and many members who last year voted for the repeal would support the Bill this year. With one exception, not a petition in favour of repeal had been laid on the table.

He thought the Government should have stated their views, and the side they intended to take in the matter. If the law was repealed, the table would, in less than a year be flooded with petitions for its re-enactment. It should be remembered that the measure expires next year, and he could not see that anything would be gained by putting an end to it this session. It should at least have a fair trial so that they could see its effect. He trusted the Bill of the hon. member for Stanstead (Mr. Colby) would not pass, but that it would be referred to the Committee on Banking and Commerce, or other means taken to introduce those amendments which time and experience had shown to be necessary.

Mr. BELLEROSE considered a bankruptcy law necessary, but the present law required many amendments, and he moved that the debate be adjourned to the 9th May.

Mr. KIRKPATRICK thought the Insolvency Act as at present encourages fraud. Wholesale merchants send out their agents who force their wares on country dealers, thus overstocking them, the result being in many cases a bankrupt stock, which does not trouble the wholesale dealers very much, as he is sure of getting his stock, while the honest and solvent trader is injured by the sale of the bankrupt stock at reduced rates. He was perplexed as to how his vote should be given, but on consideration he had arrived at the conclusion that the present law was unacceptable to the country. He should therefore vote for the motion of the hon. member for Stanstead (Mr. Colby); but while he should vote for the Second Reading, he did not wish it to be understood that he was opposed to all insolvency laws.

Mr. McDONALD (Antigonish) did not hesitate to say that the law, as it now stands, is superior in many respects to the English law. Many who were opposed to it last year were in favor of it this year. If the law was repealed every man whose solvency was doubted would be pounced upon by his creditors, and in many cases one creditor would get the whole of the estate.

He believed that every country desirous of promoting prosperity

should have a bankruptcy law. The Bill had been in operation in Nova Scotia during the past two years, and in the constituency he represented there had not been one single case of bankruptcy, and in no case which had come under his notice had it been shown that the parties were guilty of fraud. He would vote against the motion of the hon. member for Stanstead (Mr. Colby), but would vote for any Bill that would amend the objectionable clauses of the present law.

Mr. LANGLOIS explained the Lower Canada law in respect to the winding up of insolvent estates. He feared that if the Bill was referred to the Committee on Banking and Commerce no return would be made this session. He hoped his hon. friend the member for Laval (Mr. Bellerose) would withdraw his motion.

Hon. Mr. MACKENZIE did not intend to discuss the particulars of the Bill further, but he thought that putting it off for a fortnight was practically killing it, and he would ask hon. gentlemen who were opposed to the measure to take a vote upon it. The sense of the House had been tested last session when a majority gave an opinion in favor of the measure now before the House, and he believed that if members voted according to their convictions the same opinion would now prevail. The proposal of the hon. member for Peel (Hon. Mr. Cameron) was simply to kill the bill, and it would be much better to take a direct negative vote than to make an amendment that said practically that the bill of the member for Stanstead was one that ought not to pass.

Some legislation might be necessary either by this House or the Local Legislature in order to give effect to some more equitable mode of effecting the distribution of bankrupt estates. That question would have to be met either here or there, but he did not think that a sufficient reason for refusing to repeal the present bankruptcy laws. That could be provided for when the difficulty arose.

He had watched the operation of the law for many years and had come to the conclusion that it was not a beneficial law. Although the Act expired of itself in a very short time, a general demand had arisen for its immediate repeal, as it practically enriched the official assignees at the expense of the creditors. This was the experience of all but perhaps a few wholesale merchants, who have found the Act conducive to their interests. He believed that an absolute injustice was done to the majority of the people by its operation, and he would assist to the utmost in his power in obtaining a repeal of the Law.

He admitted that other measures would be necessary, and he was prepared to give them an earnest consideration; but the amendments made from time to time had simply resulted in making the Act more expensive in its operation, and more difficult to understand. For these reasons he hoped that all who were in favor of an alteration in the law in the sense he had indicated would vote against the motion of the member for Peel (Hon. Mr. Cameron), and the amendment of the member for Laval (Mr. Bellerose).

Mr. COLBY was not insensible to the importance of the question. He had approached the consideration of the question