

Hon. Mr. MORAUD: No; but I prefer to rely on law rather than discretion.

Hon. Mr. HAIG: I don't think Senator McGuire has had the experience of some of our western fellows with the operation of the Farmers Creditors' Arrangement Act.

Hon. Mr. MCGUIRE: No. You people out there must like it or you would not want to keep it.

Hon. Mr. HAIG: There are more debtors than creditors—

Hon. Mr. MCGUIRE: All over.

Hon. Mr. HAIG: —so it is easy to decide on the side of the debtor.

Hon. Mr. KINLEY: And the creditor is an absentee.

Hon. Mr. HAIG: Let me give an illustration. I had a second mortgage of \$1,000 on a piece of land at Marquette. The first mortgage was for the full value of the property. I lacked experience at that time or I would not have taken the second mortgage. The judge threw \$1,000 off the mortgage and said I was to get \$75 on my mortgage. So I got my \$75 at the expense of the first mortgagee.

Mr. REILLEY: You must not forget, senator, that the preamble to the Farmers Creditors' Arrangement Act was very different altogether from the preamble to the Bankruptcy Act. The object and purpose of that Act was to keep men on the farm.

Hon. Mr. MCGUIRE: Right.

Mr. REILLEY: That was the first object.

Hon. Mr. ASELTINE: Is not the object of the Bankruptcy Act to keep men in business? The same thing.

Mr. REILLEY: They went at it in a different way.

Hon. Mr. KINLEY: Is not the object to protect creditors?

Mr. REILLEY: Yes.

The ACTING CHAIRMAN: That should be the general object of the Act. I think, Mr. Reilley, we had better read the provision in this section.

—if in its opinion it is desirable and expedient in the interest of the corporation, the creditors and the shareholders or in the public interest by reason of the nature of the services rendered or the business carried on—

That widens the usual purposes of the Bankruptcy Act.

Hon. Mr. MORAUD: And discretion is left to the court. One man can decide whether it is expedient, and so on.

The ACTING CHAIRMAN: I think, Mr. Reilley, you intimated to us that you do not think subsection 10 an essential part of your scheme.

Mr. REILLEY: Oh, no.

The ACTING CHAIRMAN: It will work without that in?

Mr. REILLEY: It would work without that in if Parliament sees fit to delete that.

The ACTING CHAIRMAN: What would you think about the advisability of going a little slowly, trying the general scheme without that subsection, and if it was working well you could incorporate that a little later.

Mr. REILLEY: Well, that is an idea.

Hon. Mr. KINLEY: What is it in for?

Mr. REILLEY: My idea was to make the scheme complete.

Hon. Mr. EULER: You are really making it possible for one man, the judge, to set aside preferred rights, say, of bondholders to the advantage of other creditors: is not that so?