

Hon. Mr. LEGER: The only change would be the necessity of applying to the court: that is the only effect, is it not?

Mr. ROGERS: The change would be to overcome the effect of subsection 2 of the Act and require a secured creditor to get leave in every case before realizing his security. That is because of the new definition of creditor and the addition to subsection 2 of the words "and the preceding subsection." This completely nullifies the intention of subsection 2, which was to remove the secured creditor from the restrictions of subsection 1.

Hon. Mr. HUGESSEN: Your objection is to the words "and the preceding subsection"?

Mr. ROGERS: Yes. The effect is brought about by those words and also by "creditor" as now defined. The new definition of the word includes a secured creditor. So the original provision whereby a secured creditor was given certain freedom of action is offset and really nullified.

Hon. Mr. MORAUD: What was the definition before?

Mr. ROGERS: It is in the bill on the right hand side.

Hon. Mr. MORAUD: Oh, yes.

Mr. ROGERS: It was not a general definition, it was specific with relation to particular cases. But the effect of the specific amendment is perhaps dangerous, having regard to the effect of its inclusion in the Act in that way.

Hon. Mr. MORAUD: The former definition was too long, and this one is too short.

Mr. ROGERS: Then there is another point in the definition of the word "transaction". It is so general that it would be very difficult to imagine anything that would not come within the transaction. While it is quite true that it is necessary to define some words in order to prevent a lot of repetition, particularly in section 68 and others, the new definition seems to cover so wide a field that it goes beyond what is now in the Act.

Hon. Mr. LEGER: Would it be necessary to define it at all?

Mr. ROGERS: I think the court would define transaction as being a business dealing of some sort.

Hon. Mr. MORAUD: "Transaction" in our civil code has not the same meaning at all as "transaction" in this bill.

Mr. ROGERS: It is so difficult to say what might be meant by "anything done or left undone by a person which affects another person's rights and obligations out of which a course of action may arise". It is so broad that it is rather difficult to say what its effect might be. Section 64 of the Act commences,

Every conveyance or transfer of property or charge thereon made, every payment made, every obligation incurred and every judicial proceeding taken or suffered . . .

It was in that sense fairly precise and rather limited, but the definition in this bill is very broad, and it is difficult to know just how far its effects may go. Perhaps when we come to one or two of the other sections its effects will be a little more apparent.

Section 3 covers acts of bankruptcy. The inclusion of a new act of bankruptcy in paragraph (d) of this section goes somewhat further than the preceding paragraph (c), which deals with something of that nature. It reads:—

If in Canada or elsewhere he makes any conveyance or transfer of his property or any part thereof, or creates any charge thereon, which would under this Act be void as a fraudulent preference if he were adjudged bankrupt.

No one could quarrel with that.