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## *THE BANKRUPTCY ACT.*

On the first day of July last the Dominion Bankruptcy Act came into force. This Act, with certain modifications and local adaptations is very largely founded on the English Bankruptcy Act. Each Province is constituted a Bankruptcy District, and provision is made for the sub-division of Districts into Divisions, which will probably not take place until the necessities of business require it.

The Act provides for three methods of dealing with debtors who are insolvent, or in financial difficulties. The debtor may himself do one of two things: He may either make an assignment under the Act to an authorized trustee; or he may call upon some authorized trustee to convene a meeting of his creditors for the purpose of considering a proposal for an extension of time for payment of his liabilities, or for the payment of a composition on his debts, or for both. Any such agreement has to be submitted to the vote of his creditors, and if approved by two-thirds in value of those who have proved their claims, the trustee may apply to the Court to approve of the agreement, and if approved by the Court, it then becomes binding on all creditors. The approval of the Court is not to be given if it involves the payment of a dividend of less than 50 cents on the dollar in the liabilities, nor if the debtor has been proved to have been guilty of any offence under the Act.

But a creditor is not bound to submit to either of these methods, and if the debtor has committed an act of bankruptcy within the meaning of the Act, the creditor may proceed by petition to have the debtor adjudicated a bankrupt, and a receiving order made. It may be well to note that there is this difference between a receiving order and an assignment, viz.: The former covers not only all property the debtor has at its date, as does