

OBJECTIVES AND PURPOSES OF BANKRUPTCY AND WINDING UP.

1. To secure an equitable and rateable distribution of the debtor's assets amongst his creditors, avoiding the "first come, first served" distribution which a free-for-all would involve. *OR's changes.*

2. To bring a speedy end to an unprofitable venture which would otherwise be carried on to the loss of future unsuspecting creditors.

3. To provide, by its mere threat, a potent means of debt recovery.

4. In the case of personal bankruptcy only, to free the debtor of the pressure of his creditors and enable him to start up again free from the burden of debt.

5. In the relatively rare case, to enable a thorough investigation to be conducted into the debtor's business methods.

6. Basis for "punishment"

7. Foundation for social engineering

8. Balancing case of finance agt. injury to
creditors

9. Adjusting priorities between "good" and "bad" creditors
(preferences)