

PROOF BY SECURED CREDITORS

No Creditor to Receive More than 100 Cents on the Dollar—Section 118

It should be made clear under Section 118 that as well as receiving 100 cents on the dollar secured creditors may recover the costs of realizing their security.

RESTRICTED CREDITORS

Postponement of Wage Claims of Relatives—Section 121

Section 121 concerning postponement of the wage claims of relatives refers to relatives to the third degree. In many cases this will not be understood. The provisions now in Section 117 of the Act detail the relatives affected. They are much more easily understood and the section now in the Act should be retained.

ADMISSION AND DISALLOWANCE

PROOFS OF CLAIM BEFORE COURTS

Trustee Shall Examine Proofs—Section 125(1)

The provision in Section 125(1) requiring a trustee to notify all creditors whose claims have been admitted should be deleted. Notification of admission of claims in all cases is unnecessary and would involve a great deal of trouble and postage and other expense. Also the trustee should not be put in the position in the early stage of a bankruptcy before he has had adequate opportunity to investigate, of having to generally admit claims or dispute them and force issues.

*Trustee May Require Creditor to Prove Claim Before the Court—Section 125 (2)**Creditor May Require Trustee to Admit Claim—Section 125 (3)*

Section 125 (2) and (3) and following subsections enabling the trustee, without taking a position, to call on claimants to prove their claims, is approved.

SCHEME OF DISTRIBUTION

Priority of Claims—Section 126

Section 126 clarifying and revising priority of claims is approved.

BANKRUPTS

Duties of Bankrupts—Section 133

The statement of the bankrupt's duties in Section 133 is approved with the exception of the provision for the Official Receiver authorizing assistance to the bankrupt in preparing statements of affairs, when the affairs of the bankrupt are complicated or involved. In practice the trustees regularly perform this work.

EXAMINATION OF BANKRUPTS AND OTHERS

Examination of Bankrupts at Meetings—Section 137 (4)

The provision in Section 137 (4) for the evidence of the bankrupt being taken down in shorthand is impractical. A competent stenographer is by no means always available.

Questions Must Be Answered—Section 143

The provision in Section 143 that evidence taken on examinations may be given in evidence in subsequent proceedings should be limited to evidence given at the formal examination mentioned in Sections 138, 139 and 142 (but not including examinations before the Official Receiver), of the Bill. It would be unfair to give in evidence, evidence taken at an informal examination.