

Mr. JUSTICE BOYER: There are provisions in the bill which might prevent fraud. Of course you cannot always prevent it.

Hon. Mr. FOSTER: Is there any provision in this bill with regard to the residence of the trustee?

Hon. Mr. HAIG: You had better ask Mr. Reilley that question.

Hon. Mr. FOSTER: In our province this has been our experience. A man in business in New Brunswick would assign to a man in Montreal. There would be quite a number of creditors in Montreal and they would come down and a non-resident man would be appointed trustee. So you had a man in Montreal in control of a business in New Brunswick. This absentee management of the bankruptcy is not always in the best interests of the creditors generally. Is that provided for in the bill?

Mr. REILLEY: There has not been any change in that regard; but the system of licensing has done away with almost all of that trouble. I have only known of one or two cases of that nature in the last ten years, because a trustee has to get a licence from each province.

Hon. Mr. FOSTER: I know.

Mr. REILLEY: A trustee in Quebec can get a licence in Ontario if he pays the extra fees.

Hon. Mr. FOSTER: That absentee management was prevalent at one time.

Mr. REILLEY: Yes, I know.

Mr. JUSTICE BOYER: If the creditors find it to their interests to appoint a non-resident trustee they will do so.

Hon. Mr. KINLEY: Could not the court appoint the trustee?

Hon. Mr. HAIG: No.

Hon. Mr. KINLEY: The big creditors appoint the trustee.

Hon. Mr. HAIG: No. They only appoint the trustee because they have the biggest interest and think they can run the business to the best advantage through that trustee. I have had a lot of experience in bankruptcy work in Manitoba. They always pick out the three largest creditors to be inspectors. They do so because they have the largest interest—I am not talking of the unsecured creditors—and by and large they generally run the business to the best advantage. If you had it any other way you would have all the little fellows forcing the larger creditors to buy them out. Abitibi is a good illustration of what can be done in this way. Abitibi was managed in this way for ten or twelve years, and at last it swung out and is now doing well; whereas had the company been cleaned up at that time every little fellow would have lost every dollar, and so would the large fellow too. I think the present table of voting gives a pretty fair bill.

The ACTING CHAIRMAN: Are there any other questions to be asked His Lordship?

Hon. Mr. KINLEY: It is the general impression that bankruptcy is awfully wasteful and the expenses are too heavy.

Mr. JUSTICE BOYER: I agree with you. I think the government fees, the trustees' fees and the lawyers' fees are always too high. The government takes advantage of it. I will give you an illustration. On a petition in bankruptcy the government exacts \$4.50, and everything is done by petition. That means in any bankruptcy there may be quite a number of petitions. Originally the fees all went to the registrar, and he made heaps of money. There is a disposition in Quebec that the lawyers interested should meet to draft the notes of judgment and to engross them. In our province there is no such disposition. The judge gives his reasons for judgment when he rises, and if judgment is given from the bench it is drafted by one of the court employees without any