

*Bankruptcy Act*

among the people with whom the debtor has been transacting his business. He will be much more embarrassed there where all his actions will be under review than in Montreal where no one will know what has been going on. I think it is only fair that the territorial jurisdiction should be preserved. It may be objected that the province of Quebec has much to say. I do not care what the province did on other occasions in the field of its activities, but here we have the power, without consulting the province of saying that in so far as bankruptcy is concerned the locality of the debtor means the judicial district in which he has been living and carrying on his business.

Mr. GUTHRIE: Does not my hon. friend think that subsection (8) of section 17—a new section—will avoid all the inconvenience and difficulty which he has now expressed?

Mr. CARDIN: No, that would not cover the point raised by my hon. friend from Compton (Mr. Gobeil); it would not prevent a debtor making an assignment anywhere he wanted to.

Mr. GUTHRIE: Suppose he did, that is not the trouble. The trouble is the administration after the assignment—the meeting of creditors and, the winding up of the estate; the court can direct all that to be done in the local district or at any point it deems fit under subsection (8). The making of the assignment is a preliminary act before a judge, it matters not whether in Montreal, or Quebec, or anywhere else if he has the necessary authority; then takes place the meeting of creditors, the appointing of a trustee and the winding up of the estate, and under the new paragraph which has been introduced into this bill all that can be done in the immediate home of the debtor.

Mr. CARDIN: That is not the case covered by subsection (8); not at all. That case applies to localities far distant from the place where there is a trustee.

Mr. GUTHRIE: No. The court may "appoint a responsible person residing in the locality."

Mr. CARDIN: No. "Notwithstanding the provisions of this act, when the debtor resides or carries on business at a distance far removed from the nearest licensed trustee—"

Mr. GUTHRIE: Yes.

Mr. CARDIN: Well, that is not the case we have in mind.

Mr. GUTHRIE: I thought that was the difficulty you were picturing.

[Mr. Cardin.]

Mr. CARDIN: No. Under the present law we may have a licensed trustee in Sorel, and an insolvent debtor in Sorel can be brought to Montreal by his creditors, notwithstanding subsection (8).

Mr. GUTHRIE: If a majority of the creditors so decide should they not have the right to say where the meeting of creditors shall be held?

Mr. CARDIN: If you say majority in number, that may be true to a certain extent; but if you say the majority so far as the amount of claims is concerned, you might as well admit that the meetings will always be in Montreal or Quebec. The largest creditors are always in those cities, but the greatest number of creditors are usually to be found in the locality in which the debtor resides. So it is no great protection to say "if the creditors wish." We all know by experience what that means. It is by the creditors' wish that the people of Chicoutimi and Gaspé have been taken to Montreal. It is by the creditors' wish that a debtor or small creditor can be taken from one end of the province to the other. We all know the strength and influence of our financial organizations in the big cities. If you place the debtor and his small creditors in the rural sections in the hands of the board of trade and the chamber of commerce in Montreal or Quebec, you need not fear that any of the bankruptcy proceedings are going to be conducted in the other sections of the province. It is to prevent that practice and to protect the small creditors that we ask that the bankruptcy proceedings be transacted in the rural section where the debtor and most of his creditors reside. Why be afraid of going to the county of Gaspé and settling the affairs of the bankrupt? The judges are the same.

Mr. GUTHRIE: All that will be done if the court thinks it is proper to do so.

Mr. CARDIN: It cannot be done. It will not be done.

Mr. GUTHRIE: My hon. friend must be reasonable.

Mr. CARDIN: I submit the power is not there.

Mr. MERCIER (St. Henri): If my client has a claim of over \$500 against an insolvent debtor living in Chicoutimi, I draw a petition and the assignment is made right away. I do not need to have a meeting of creditors, I simply serve him with a petition to appear in Montreal. How could you apply subsection (8) to that?