

Subsection (f) which would leave the bankrupt under summary administration free to submit a proposal under the proposal provisions of the Act. In any event there is little to be gained in practice by this provision in the summary administration sections.

Subsection (h), owing to the fact that its effect is to exclude examination under oath and make it more difficult to ascertain whether any improper use is being made of the summary administration proceedings.

Those are the objections that body had to Section 114. The submission goes on to say:

Subsection (g) should be amended, so that there may be inspectors if the creditors at the first meeting so decide. The reason for this is that under the present procedure the Court only has before it the debtor's statement of assets and liabilities. Instances have occurred in which important transfers of property have taken place prior to bankruptcy without being disclosed in the debtor's statement before the Court. The appointment and activities of inspectors in such cases would serve a valuable purpose in investigating prior transfers of property and serve to guard against any undesirable advantage being taken of the summary administration proceedings in this regard.

I should point out that in order to support this representation, the Board of Trade of Metropolitan Toronto caused a comprehensive and continuing study of the act to be made by a committee of persons who had special knowledge of the subject. This committee was comprised of leading trustees, liquidators, members of the accounting and legal professions, and business executives who had specialized in bankruptcy matters. Upon learning that it was the intention of the Government to revise the 1949 act, the board's study of the act was reviewed and brought up to date and its findings were submitted.

I do not want to be taken as being critical of the Government or of the Superintendent of Bankruptcy in saying that the bill before us deals only with one aspect that is raised by this brief. It may be that this is all that could be dealt with at the present time, and that more study is required in order to be able to deal with the other phases. What I say is that when all these people, who have had experience in this field for a period of years, say that inspectors serve a useful purpose, then at least there should be provision for the appointment of inspectors in

the discretion of the creditors at the first meeting. In some circumstances they may say inspectors are not necessary, but there may be circumstances where they are necessary, and it is my opinion that such a discretionary provision should be in this bill if we are to carry through with the plan that is proposed.

We should also know more definitely what courts are to be specified in the various provinces, excluding Alberta and Manitoba which are specifically dealt with in the bill. What court is going to be designated as the court to be charged with the administration of Part X, the clerk of which will be the one who will deal first with the matter and who may then refer it to a judge of that court?

To me it seems so wasteful that basic experience gained over a long period of time in the administration of the Bankruptcy Act is now being abandoned, and the clerk of a court is to be designated—and we do not know which court it is in eight of ten provinces—as the one to deal with these debtors.

Debtors, even under this bill, can accumulate a tremendous amount of debt and still come under the provisions with respect to summary administration. The only limitation is \$1,000, which means that each debt must not exceed \$1,000. Therefore, when this bill becomes law I am sure that the salaried man who wants to go on a spending spree, or indulge in an expansion of his credit or a utilization of what credit he has, will still be free to do so except that he must keep a little closer account of the indebtedness he is accumulating and see to it that it does not become more than \$1,000 in any particular place. That still gives him quite a large area in which to operate. He can then go to the clerk of the court and make his amends. This is regarded as being so simple and so unimportant that provision is not even made for the salutary check that inspectors might be able to put on such operations. Therefore, when this bill goes before the committee the time should be fixed, and there should be invited as witnesses not only representatives of the Board of Trade of Metropolitan Toronto or its committee, but also the registrars of the bankruptcy courts in the various provinces.

I should tell you that in 1949 when we studied the revision of the Bankruptcy Act the bill was introduced in the Senate, even as this bill is being introduced now, and the study was made in the Senate. We even had the bankruptcy judges in the different provinces come here to express a viewpoint based on their experience. We also had the registrars and lawyers who were experts in