

Bankruptcy Act

and if the law is changed as proposed by this bill and this provision would be in suspense while this act is in force, in my humble opinion in the province of New Brunswick there would be no limitation on the rights of the landlord. It would depend entirely on what might be contained in this bill and the terms of the lease. The lease might have ten years to run, and I know of no reason why the landlord in that event should not collect the full rent out of the estate. Of course, I know I am putting an extreme case, but anyone can see at a glance that that would be a very wrong state of affairs. If three months is too short make it six months, or a year, but do not leave it as long as is suggested by the civil code of Quebec, which is apparently what has actuated the hon. minister in regard to this matter. That would put the ordinary, unsecured creditors at a very great disadvantage. After all, they are the people whom we should look after, they have given credit. The landlord is always in a secured position, and I suppose he always will be. I suppose it will be necessary that he should have some priority and preference over the ordinary creditor; otherwise rents would have to be guaranteed and premises would not be secured easily, but at the same time there is danger of going to the other extreme, and I would suggest that the minister devise some happy medium and make it applicable to the whole Dominion.

Mr. CANNON: Does my hon. friend contend that section 27 of the present bill would make the laws of the province of Quebec concerning lessor and lessee applicable in New Brunswick?

Mr. HANSON: No, I do not say it would. I did not argue that for a moment, but I would say this to my learned friend. From what I gather from the reading of the article in the civil code by the hon. member for George Etienne Cartier (Mr. Jacobs), I think it gives the landlord a very great preference, and one that I personally do not wish him to have. In the province of New Brunswick it would revert, of course, under this section to the old act where the provision was three months, and in the province of Ontario a year, and in some other places eighteen months, all of which is undesirable to say the least. I think there should be uniformity.

The chief objection to the Bankruptcy Act in the province of New Brunswick is not with reference to the principle involved at all. It is not with respect to the personnel of the authorized trustees. We are a small province down there, and business is comparatively small having reference to, say, Toronto

[Mr. Hanson.]

and Montreal. The estates of bankrupts are small, and the complaint I have found among creditors and others in the province of New Brunswick is in relation to the costs and expenses. I think it has been little better than a scandal the expenses that have been incurred and the fees that have been paid to solicitors out of some of the estates. I happen to know of a few cases in my own office, and there was one where I felt constrained to admonish my junior with respect to the size of the bills he got taxed by the registrar. They have been altogether too large having regard to the character of the business; I will be perfectly frank about it. I could give you a case in point, where there was a contest with respect to an alleged preferred claim. An ex parte order was made by the judge of the bankruptcy court to set the case down for trial, and when the bill of costs came out, the solicitor got a fee of \$80 for going to St. John and back and getting the ex parte order setting the case down for trial. The judge ruled that he was entitled to \$30 as solicitor, and a counsel fee of \$50, which was absolutely absurd. It tends to bring the act into disrepute and gobble up the whole estate. There was a contest over this case, ending in a drawn battle, each side winning one of two points. The costs involved were over \$800, and the amount in dispute was less than \$500. The creditor class do object to the size of the costs, and I wish the minister to give some heed to what I am saying in that regard with relation to small estates. The cases I have in mind will never get to the Privy Council, and I think the act would be received with a great deal better grace if there was a real limitation on the amount payable to authorized trustees or the trustees as proposed here, and to the solicitor.

Mr. JACOBS: Might I point out that these amendments make provision for a case of that kind?

Mr. SPEAKER: Order. I think I should point out to hon. members that on the second reading of the bill only the principle is discussed. I see that the hon. Minister of Justice is by this bill introducing several amendments to the Bankruptcy Act. When the motion for the second reading was made it was carried, but as the Minister of Justice thought proper to give a brief explanation the debate continued, and now on both sides hon. members are discussing various features of the bill. Would it not be better to go into committee of the whole and there take up these amendments one by one?

Some hon. MEMBERS: Hear, hear.