

important point is voting at the first meeting of creditors, it is very sound to restrict those entitled to vote for trustee, leave out the relatives. The only suggestion I have is that you put the mother-in-law as one of the relatives who cannot vote.

Hon. Mr. LAPOINTE: Even although she is a creditor?—A. Yes, her claim will be collated according to law, but if you could just realize what we are going through in Montreal. A fellow failed last year with liabilities three months before he failed of \$12,000. Three months later he failed with liabilities of \$112,000. When it came to the voting at the first meeting the debtor walked up with his own nominee as trustee and filed a claim against his company, it was a machinery company, a limited company, and his wife filed a claim, claiming that she wrote a book on the Heavens and the stars and sold it to the machinery company for \$50,000, and she voted on that claim. It is ridiculous. To-day the official Receiver can only concern himself at those meetings with the counting of votes. This man, by the way, appointed four inspectors, and just let the bank manager sit as a fifth, and appointed his own trustee. Two weeks later he got disgusted with the bank manager, called another meeting of creditors and threw him out. That is an absolute fact.

Another point, on the discharge of the debtor, I see if no dividend is paid the inspector must report to the superintendent. That also is important. They are major points which if they became law would be of tremendous assistance in this task of preventing fraud. Immediately you make it a disgrace to go into bankruptcy, instead of a convenience as it is to-day, then we will have fewer bankruptcies. Fewer bankruptcies will bring bigger returns.

*By the Chairman:*

Q. What have you to say as to the cost of liquidating bankrupt estates, and what irregularities if any arise out of the charges of trustees and lawyers?—A. You will notice it is a problem of geography. It depends on the ability of the registrar to a large extent. A registrar who is on his job can cut down the cost immensely. I was in the King Edward Hotel at Toronto two years ago, I met a Montreal trustee. I said, "What are you doing here?" "I have come to get a bill of costs taxed," he said, "like a fool I took it to Montreal first." There was a bill for a lawyer of \$1,500 and he O.K.'d it. Then he found the mistake and he had it taxed in Toronto. I said, "Best of luck." I met him in the afternoon, I said, "How did you get along?" He said, "Awful. Reilly scratched his pen through the \$1,500 and substituted \$300." You cannot legislate against that sort of thing. I believe in paying trustees and paying them well. I do not think you will ever get dividends from incompetent trustees and incompetent officials.

Mr. BUTCHER: Do you think it is right to permit inspectors to waive the taxation of costs? I ask that question because I have a statement here which shows that the costs of administering an estate of \$6,129, which was realized very promptly, amounted to \$3,600, and the footnote says:

The above statement has been approved and taxation waived by the inspectors of the estate.

The WITNESS: If I were Toronto I would insist that every bill be taxed. But I tell you frankly I do not give a hoot in Montreal to-day, or many other cities. I speak perfectly frankly. What is the use? But in Toronto and some other cities I would certainly insist on every bill being taxed. It depends entirely on the man and his conception of his duty.

*By the Chairman:*

Q. What have you to say with regard to the revenue derived by the provinces from bankruptcies. I refer to stamp charges and incidental fees exacted by the provincial courts, as far as they are complementary to the administration of the Act?—A. I do not think I am competent to answer that question.