

Hon. Mr. HAIG: No, I would not, because they know they are upsetting the company before it gets to the voting stage. If they do not, they ought to.

The CHAIRMAN: Will you proceed, Mr. Merriam?

Mr. MERRIAM: Our next submission is in relation to section 82 of the bill, which relates to the appointment of inspectors, and our submission in this respect is simply that a further subsection be added to provide that a creditor corporation may itself be appointed inspector. Now, quite often inspectors are chosen on the basis that they represent the large creditors, which in many instances happen to be a corporation. Usually, or in any event in many instances, the credit manager say of a large creditor corporation is personally appointed as an inspector. In time he may be promoted in the company to another department; he may leave the employ of the company entirely; and in either of these cases he has lost any real personal interest in the position of his ex-company as a creditor; and moreover he is out of touch with the affairs of the bankrupt generally. Our suggestion and submission in circumstances such as this is that the creditor corporation itself be appointed the inspector, with power to designate one of its employees to exercise the duties of inspector in its name.

The CHAIRMAN: Is not that sufficiently provided for under paragraph 5 of the same article, which states, "The creditors may at any meeting and the court may on the application of the trustee or any creditor revoke the appointment of any inspector and appoint another in his stead"? Is not the door opened widely enough by that subsection? If a company is a creditor and it wants another man, the company may come before the court and say that Mr. So-and-So is no longer in its employ, and suggest that another person be appointed.

Mr. MERRIAM: There is a provision for changing it; there is no question about that; but it seems to me that this is a somewhat more involved procedure; that it would be much simpler if the corporation itself were the trustee and had the power to designate who should be appointed in its behalf, without having to make application to the court in the event of changes taking place.

Hon. Mr. MORAUD: That is, you would leave it to the company creditor?

The CHAIRMAN: It might be that Mr. So-and-So from the company has been appointed by the creditors on account of his personality, and that he might not have been appointed if he had been a different man. It would be another thing to have his successor in office appointed automatically.

Hon. Mr. HAIG: In actual experience in the carrying out of these assignments, the people who are usually creditors, or are quite often creditors, like wholesale houses, have men whose special job is practically just this.

Mr. MERRIAM: That is quite right, sir.

Hon. Mr. HAIG: Well, in any case that I have known of, immediately an employee resigns, they go back to the court and ask for a new man to be appointed, and the court appoints a new man in his place, and it is generally on the recommendation of the same creditor.

Mr. MERRIAM: Yes, that is just it. Usually what the creditor wants, if he wants to appoint—

Hon. Mr. HAIG: There may be personalities involved, and creditors might say, "No, not this new man; we don't like him, we want somebody else in there", and they might put the somebody else in. I think it would happen. I would rather leave it the way it is.

Hon. Mr. MORAUD: The inspectors are appointed to represent the creditors at large, not to represent one creditor.

Hon. Mr. HUGESSEN: Would it not be most unusual for a corporation to be appointed an inspector, any more than for a corporation to be appointed as a director? I cannot see how a corporation could be appointed to a personal office of that kind.