

Q. And those retailers that they think worthy of being saved are being salvaged in that way.—A. There are such, but there are not enough of them.

Mr. SPENCE: Those are not rare in my experience.

The WITNESS: Well there is room for a tremendous increase in them, I submit.

The CHAIRMAN: Mr. MacDonald, has your question been answered or lost?

Mr. MACDONALD: My question had something to do with another point. I want to get back to the first observations of this gentleman regarding the necessity of having machinery to prevent bankruptcy and to carry on business if at all possible. The difficulty as I see it would be that of having the Government or the Superintendent of Bankruptcy interfere such time as the man had declared his bankruptcy.

The WITNESS: I appreciate your point. That subject is so comprehensive, and perhaps outside the province of this Committee, that I hesitate even to commence the answer. May I content myself with this observation—and I hope content you—that that type of work is being increasingly undertaken by our friends to the south of us with very startling results. Whether that would come under the direction of a Department of Bankruptcy is a debatable question, but Hon. Mr. Lapointe, who has heard me present this viewpoint to previous governments, is aware of the fact that we are constantly reiterating that if the Government were as conscious of the necessity for giving expert aid and advice to retail distributors as it has already recognized it should do to other branches of our economic life, there would be a tremendous saving to society as a whole. That may not be within the province of the Superintendent of Bankruptcy.

Mr. MACDONALD: After all, isn't it really a matter for the creditors themselves? Are you not asking the Government to undertake something that should be done by the creditors themselves. They have gone and extended credit to this merchant, now they ask the Government to step in and prevent the loss that arises from their own acts.

The WITNESS: I think perhaps I have failed to make myself understood. My thought in talking about this preventive department is not that it has any relation to bankruptcy, but a department of commercial education, which would prevent the thing getting to the place where there would be any creditors who are petitioning in bankruptcy. I recognize that that is a wider field than the field this Committee has power to inquire into.

*By Mr. Elliott:*

Q. Your reference is more to preventing the debtor getting into financial difficulty?—A. Precisely.

Q. Than to compromising with the creditors after he has got into financial difficulties?—A. I think my observation is double barreled. I am concerned about the phase you have mentioned and I am as well concerned about the desirability of calling in expert help where compromise is necessary.

Q. In your experience has the percentage of compromise been increasing or decreasing in recent years?—A. I do not believe I would care to answer that categorically. If I do it is quite tentatively, I would be disposed to say that the number of compromises are increasing.

Q. Of course that rests largely with the creditors?—A. Yes. I observe that tendency, I admit that tendency.

*By Mr. Fraser:*

Q. In your opinion what percentage of bankruptcies are due to incompetence, have you any figures to indicate that?—A. I have not any statistics that I