

locus to put in his claim there. That is what the minister is after.

Sir HENRY DRAYTON: I am afraid my hon. friend was out this afternoon when I was addressing myself to this question. If he had been here he would know that I did not want any pesky registrar at all. I do not want the method of appointment changed.

Mr. MARTELL: With all due deference to my hon. friend, I say that the proper registrar is the prothonotary the clerk of the court, for these officials are known to every person in the municipality or county.

The CHAIRMAN: Clause 2 as amended, carried.

Sir HENRY DRAYTON: On division.

On section 22, subsection 4—voting by proxy.

Sir HENRY DRAYTON: What is the import of the amendment?

Sir LOMER GOUIN: Section 42, subsection 13 provides for the lodging of proxies with the trustee; they are now lodged with the custodian. That is the only change.

The CHAIRMAN: Shall the subclause carry?

Sir HENRY DRAYTON: I think we had better have all these carried on division, Mr. Chairman.

The CHAIRMAN: Carried on division.

On section 23—proof of debts.

Mr. BAXTER: The original act provides as follows:

A debt may be proved by delivering or sending through the post in a prepaid and registered letter to the trustee, a statutory declaration verifying the debt.

Now, the amendment makes it optional to send the proof either to the custodian or to the trustee. As I understand it, when the trustee is appointed the custodian ceases to function. Suppose someone sends proof of debt to the custodian after that official ceases to function; is there anything to tell the ex-custodian to hand these things over to the trustee?

Sir LOMER GOUIN: There is no special provision for that. If my hon. friend thinks it is necessary, I would be prepared to accept the suggestion.

Mr. BAXTER: Does the minister not think it would be well to do it, just to stop carelessness? However, so far as I am concerned the section may pass.

Sir HENRY DRAYTON: This is one of the difficulties of the proposed changes: you have one man here to-day and another to-morrow, and the people know they have the right to send proof of debt to either. I think my hon. friend is going to find difficulty with his scheme.

Section agreed to.

On section 24—secured creditor to value of security.

Sir LOMER GOUIN: This amendment is to require secured creditors to value securities only in the case of a demand by the trustee. Heretofore the secured creditor has been obliged to value the securities within thirty days of the receiving order or assignment on penalty of being disentitled to rank as an ordinary creditor if his claim is in excess of the value of the security. As the secured creditor may not know of the insolvency it is unfair that he should be penalized for failure to value within thirty days; it is sufficient to compel him to value when the trustee so demands. If the trustee asks for a valuation and if the creditor neglects to value, then he is disentitled to rank as a creditor for the surplus over the security. This subsection is also amended to make it clear that the secured creditor shall be entitled to receive dividends only in respect of the balance of his claim in excess of his valuation; this result is doubtful under the present section. It is further provided that subsection 3 shall be repealed, which requires a secured creditor to identify the property covered by the security within ten days on penalty of forfeiture. He must, of course, identify the property if the trustee contests his claim, but it is manifestly unfair to compel him to identify within ten days under penalty of forfeiture. Suppose a creditor pretends that he has a lien on certain goods. If he files his claim with the trustee, the trustee will either accept his claim or contest it. If he contests it, then it will be the duty of the creditor to identify his property, but if his claim is contested we do not see why the creditor should proceed to such identification within a period of ten days.

Sir HENRY DRAYTON: Would it be necessary in both cases? Supposing you have a claim on goods. Unless those goods are identified, unless it be that under the new act it is recognized that we are going to have delay, and I think we are going to have it, surely one of the very first things is to take an inventory of your goods, put your valuation upon them and the like. Get to know what the assets are, but you cannot do that