

*Bankruptcy Act*

the proposed amendments there is practically a direction to appoint the chief creditor as trustee. Under certain circumstances this system might work out very badly, for the chief creditor might arrange to realize the estate in such a way that perhaps the general creditors would not fully benefit.

Mr. JACOBS: The chief creditor only acts as official guardian until the trustee is named.

Mr. BAXTER: There is rather an indication that his appointment is to be permanent. Under the old Assignments and Preferences Act the chief creditor was very often a big wholesale house which practically dominated the whole administration of the estate. All I want to say is that the Canadian Credit Men's Association, which has organized itself as a trustee, has the confidence of the business world of New Brunswick, and the few others who have been appointed there as official receivers also have the confidence of the public. In the case of any new law the people require to become adapted to it. In the province of New Brunswick we have virtually a body of officials who have become, to a reasonable extent, expert in the administration of insolvent estates. Under the system now proposed there is no necessary filling of the official position by the same person. In other words, if A becomes insolvent X may be the official receiver, while if C becomes insolvent Y may administer his estate, and so on. We think it is better to have a few corporations or individuals designated for this purpose who have acquired a knowledge of, and consequently are much more expert in dealing with, the ordinary problems that arise in respect to insolvency, and we prefer these experts to a procession of untutored men. I do not want to oppose the change if the Minister of Justice is convinced that it is advisable, as I am sure he must be convinced of its necessity in certain provinces; but I would ask him to confine its operation to those provinces where he has found the need for it, and to let the other provinces alone where the present system is working well to-day. Surely that can be arranged. While the plan seems to be that more responsibility is to be placed on the clerks of the Circuit Courts, I do not know that the Minister of Justice or anyone advising him has made any sort of inspection of those clerks in my province. They are all very admirable gentlemen, but I trust, in regard to some of them, that no very onerous burdens will be imposed upon them. Some of them would fail in performing the simplest official act—and to say that is not to reflect at all upon their honour or their credit; it is simply a question of ability. I am not favourably

[Mr. Baxter.]

impressed with the idea of the attaching of federal bankruptcy provisions to the existing assignments and Preferences Acts in the provinces, because I do not see how you would be able efficiently to deal with an estate which was in more than one province. That is the value of the bankruptcy law, and I do not think we ought to detract from that value. I would ask the Minister of Justice to consider carefully the advisability of leaving as it is the present machinery in the provinces where it is working efficiently, and where the suggested change would not be as good. The changes should be confined to the districts from which complaint may have come.

Mr. W. F. CARROLL (Cape Breton South and Richmond): Mr. Speaker, the intention of the Bankruptcy Act as passed by this parliament was, I believe, that there should be a uniform law throughout Canada. If the proposals of the hon. member for St. John City (Mr. Baxter), who is a good lawyer of considerable experience, were put into effect the bankruptcy law would be anything but uniform.

Mr. BAXTER: The principle would not be altered.

Mr. CARROLL: No, but the procedure under which the bankruptcy act was enforced would not be uniform. In regard to the point raised by the hon. member for George Etienne Cartier (Mr. Jacobs), I would point out that the law respecting rentals under bankruptcy or assignments in the province of Quebec is different from the law in the other provinces. Speaking for my own province, I would say offhand that the very best a landlord may get when an assignment is made is three months' rent, which is equivalent, I think, to a notice that when assignment is made the occupant of the premises must get out in three months.

Mr. BOYS: One year in Ontario.

Mr. CARROLL: Yes,—unless indeed, the premises are used by the assignee or the trustee for the purpose of selling the goods, and so on. In view of the circumstances that might arise, and that in fact do arise every day in connection with bankruptcy or assignment cases, where the creditors are from different provinces and people from different provinces are interested in the estate, I think the minister should make the law as regards the rights of landlords in bankruptcy cases uniform over all Canada.

With reference to the matter of trustees in bankruptcy, there have been numerous complaints from Nova Scotia. I do not know