

*Bankruptcy Act*

this afternoon—not a hypothetical case, but an actual case of a man failing in northern Ontario and not a single creditor living within one hundred miles of his home town. There is the option on one hand of one person taking a railway trip, and the option on the other hand of perhaps twenty-five creditors or more taking the railway trips. Well, if we are to have these troubles perhaps it is just as well that the twenty-five should be obliged to travel instead of one.

Sir LOMER GOUIN: It is precisely for those creditors who live far from the receiver's office that we make such a provision to protect them. We are not legislating especially for Quebec, we are considering the whole Dominion. It was represented to us that the present law was abused, that authorized trustees would sometimes decide to have a meeting of creditors where it would be impossible for them to attend. By this amendment we provide that the first meeting of creditors shall take place at the office of the receiver, which is supposed to be the centre of the district. Taking Ontario—leaving out Quebec for the moment—Toronto is the centre. It is not the intention to bring all creditors to Toronto; we have in mind by a later section to divide the province into various districts and to locate a receiver in the centre of each. I do not know that we could choose a better place for meetings of creditors than the centre of the district in which the bankruptcy takes place. This amendment is not to embarrass creditors, it is to protect them.

Sir HENRY DRAYTON: The case I put to my hon. friend was that the creditors were already in Toronto. The insolvency occurred at Sault Ste. Marie, where there is a local registrar and where you have the assignment, but all your creditors are hundreds of miles away down in Toronto. Under this law they would have to go to Sault Ste. Marie.

Sir LOMER GOUIN: No.

Sir HENRY DRAYTON: It may be very good for the creditors' health that they should have to take these journeys at their own expense on top of the money which they are already out, but I really do not think they will be of this opinion. So far as geographical boundaries are concerned, my hon. friend is going to have trouble. The centres of commerce are not fixed by geographical boundaries. You will have a place in a particular section of territory from which all your freight and all your credit movements will radiate, and if that be on the out-

[Sir Henry Drayton.]

skirts of the community instead of in the centre, as he says that is the place where the convenience of creditors should be considered. But I suppose my hon. friend has absolutely made up his mind that all this has to be done? I was not in the House for a few minutes after dinner and do not know whether in the interval the section as to the appointment of local registrars was adopted.

Sir LOMER GOUIN: That is to be considered on Monday.

Sir HENRY DRAYTON: Then perhaps we are considering all these sections in advance of time, because they will only be important if my hon. friend is determined to put through the other section.

Sir LOMER GOUIN: If we leave the law as it is to-day we are entirely in the hands of the receiver. My hon. friend speaks of the interests of Toronto creditors. Well, supposing an assignment is made at Sault Ste. Marie in favour of the official receiver, who would be the registrar. With the law as it is to-day he might decide to have the first meeting of creditors in Winnipeg or Montreal. Would that be fair to the creditors generally?

Sir HENRY DRAYTON: No, absolutely unfair, and my hon. friend is giving us one of those hypothetical cases that we need never worry about. All these men want to hold their jobs. The receivers, who can be thrown out by the creditors, call their meetings in such a way, in any case I ever heard of, as to help the creditors and make their course easy. Men do not usually go against their self-interest. If my hon. friend has a case of a man failing at the Soo and having creditors' meetings called in Winnipeg or in Montreal, I could understand his position, but I am afraid he will never find such a case.

Mr. MARTELL: Does my hon. friend not think that the creditors should seek the court rather than that the court should seek them? Under the scheme he submits the registrar or referee would go all over the country to discover all sorts of claims some of which might be purely fictitious, devoid of credit from every possible point of view. The registrar gives due notice; the creditor has to file his claim. If the registrar goes from place to place in order to find out who the creditors are he will run up a bill of costs which will derogate from the interests of the other creditors. So that when notice is given of the locus in which the registrar is situated, every person interested should go to that