

On section 22—Meetings of creditors.

Sir LOMER GOUIN: By this we propose that the meeting of the creditors shall take place at the office of the receiver, who shall decide any controverted points; and there is an appeal to the judge from his decision.

Mr. CLARK: Is it the first meeting of the creditors that is to take place in the office of the receiver?

Sir LOMER GOUIN: Yes.

Mr. CLARK: Suppose a business has failed in the town of Barrie, say, which is an instance that was suggested this afternoon; there is no local registrar or official receiver there. The official receiver for that particular locality is in the city of Toronto, and it is reasonable to think that the major portion of the creditors would be located in Barrie. Is it intended that these creditors, in order to attend the first meeting of creditors, must journey to Toronto to secure representatives there?

Sir LOMER GOUIN: Does the hon. member think that the receiver should go to Barrie?

Mr. CLARK: Frankly, I say that would be preferable, especially in view of the fact that the official receiver can now appoint someone to represent him.

Sir LOMER GOUIN: It is necessary to fix some place where the creditors shall meet, and if the meeting is to be official and of that solemn character which it should possess, there is no better place at which it could be held than the office of the receiver. If the creditors do not wish to travel they can very well send proxies. There are creditors all over the country in every province and I do not see really how you could have a better arrangement than this.

Mr. CLARK: I am thinking more particularly of small businesses in small communities. I do not think that this applies to my own district, but it certainly does apply to smaller communities all over the country where small businesses fail and go into bankruptcy. The creditors might be located in a little town and there would not be much solemnity to the occasion if they had to journey a hundred, or fifty or twenty-five miles to the office of the receiver to attend a meeting of creditors. As a matter of fact, I believe that in many instances the estate would be so small that the travelling expenses of the creditors in going to the office of the official receiver might be equal to the whole estate.

Mr. MARTELL: Does not my hon. friend think that if these things may occur in certain districts it is a good practice to have a prothonotary act as official receiver? He is a clerk of the court, and everyone who goes into court is struck by the solemnity of the proceedings.

Mr. CLARK: I think my hon. friend misses my point altogether. I am directing attention to cases where the official receiver has no office in the town. Take my hon. friend's own community, for instance. Supposing the nearest official receiver resided in the city of Halifax, and the creditors of the insolvent concern lived in his home town, they would all have to journey to Halifax to attend the first meeting before the official receiver. That is the situation I am presenting to the minister. It would be most unreasonable and unjust to the creditors, in many instances the expense would be prohibitive to them, and as for the issuing of proxies, through the failure of any of the creditors to attend the first meeting there would be no one available to represent them.

Mr. MARTELL: We may not have any official receiver in my particular county. That is one reason for putting the matter in the hands of the prothonotary. But supposing a merchant fails in my county, the majority of the creditors are very apt to be resident in Montreal, Toronto and other large centres. Would my hon. friend say that under such circumstances the official receiver should journey to those cities? Why not let the creditors retain some good local solicitor to appear before the court in their behalf? When the clerk of the court is clothed with the authority of an official receiver there is always due solemnity about the proceedings.

Mr. CLARK: If my hon. friend is looking for a job this would be the best way of getting one.

Mr. MARTELL: No, I am not looking for a job.

Sir HENRY DRAYTON: If the minister is determined that we shall go through these meaningless forms before we get down to business, I do not know that he can adopt any better course. Apparently because there is difficulty in Quebec he thinks it perfectly reasonable that we should inconvenience creditors in Ontario by requiring that these two unnecessary things be done, involving delay and expense. As my hon. friend to my right (Mr. Clark) said, you may have all your creditors at a place where there is no receiver. We were discussing a similar case