

could be appointed as trustee it would be a very great improvement and a relief to the creditors, because they would be sure that no creditor would have an advantage over the others. At the present time the trustees are appointed by the creditors, and when a trustee is appointed because of the support he receives from a certain number of creditors it is only natural that he should be inclined to be nice to the creditors who supported him as against those who opposed his appointment.

Another point is that if the clerk of the court were appointed you would keep in these bankruptcy affairs the judicial character that should be preserved. After all, it is purely and simply a judicial matter; it is not a business proposition. It concerns the division of the assets of a debtor among his creditors according to their claims, and this must be done in fairness and in justice to all. It is a judicial proceeding in its very character. That being so, why not place the whole business in the hands of an officer of the court of the district in which the debtor carried on his affairs? I repeat that it would cost much less than it will cost under the system which has been evolved up to this time and which is being perpetuated by the amendments with which we are dealing; so I earnestly plead with the Minister of Justice and the Prime Minister to consider that aspect of the case, to see if it would not be possible, without delaying the passing of the measure too long, to permit the appointment of the clerk of the superior court as trustee. We have been speaking of boards of trade and chambers of commerce. I feel sure that these organizations will not object to this change. They should feel much more secure if the whole business is placed in the hands of an officer of the court, so I respectfully but earnestly submit this suggestion to the government.

Mr. HACKETT: It is unfortunate that the hon. member did not attend some of the meetings of this special committee, where it was made clear by the evidence that the functions of the trustee are not judicial. They are commercial and financial. It is necessary that the trustee be acquainted with business and business methods to realize the largest amount possible on the assets. A person who acts as trustee must have business connections and business experience. Furthermore, it was established that in the United States, where for some years they have caused bankrupt estates to be administered in the manner suggested by the hon. member for Richelieu, they

[Mr. Cardin.]

have been forced within the last two years to abandon that method. They have found that the court officials are incapable of dealing with large commercial and financial matters in which they have no training.

Mr. CARDIN: The trustees that are going to be appointed are not experienced men.

Mr. GUTHRIE: Then they should not be appointed.

Mr. HACKETT: That is why we are going to license them.

Mr. CARDIN: But if you appoint as trustee a man who is expert in one line of business he will not be expert in some other line; he may be quite competent in one line and know nothing whatever about another line of business. He may be competent to deal with the class of goods left by one insolvent debtor and he may be utterly incompetent to deal with some other class left by some other debtor. What is the use of experience of this sort? To a certain extent they will have to deal with distressed goods. Now what is the duty of the trustee? It is to take possession of the goods which are left and to make a valuation of them. Well, is he going to carry out that duty himself? Are the trustees going to do this work themselves? No. They will hire the services of some other person to take an inventory of the goods and make a valuation of them. They will not do this themselves. So that they do not need to have special qualifications in the line of business in which the insolvent debtor was engaged. The valuation of the goods is made by some hired man or firm, and the goods are afterwards sold by auction or privately. You do not need great experience in business to dispose of distressed goods which have been left by an insolvent creditor and which have to be sold either by auction or privately. Under the circumstances, therefore, I do not see why it should be necessary to have so highly qualified a business man appointed as trustee. As a matter of fact, he will not use his experience and his knowledge because he cannot personally go and make the inventory or the valuation; as I say, he has to hire someone. The court can do that just as well. The court can hire the services of some man in the locality, and that would be a good deal less costly than having the valuation made by some man coming up from Montreal. The man in the locality would be perfectly familiar with the conditions there; he would understand quite well the conditions of the trade in