

can get away with it. The mere fact that bankruptcy was made a disgrace instead of a business would result in less bankruptcies. The reason we have so many bankruptcies is because they are profitable, a means of converting liability into capital.

*By Mr. Turnbull:*

Q. Do you not think that if creditors did their duty and prosecuted it would make that sort of thing unprofitable? Are you not trying to substitute legislation for public conscience?—A. No I am not. I have been prosecuting debtors for the past ten years. We practically play a lone hand in prosecuting them in Canada. We have been prosecuting, and successfully prosecuting them with creditors' money. But for every one we prosecute there must be 50 go free, for the simple reason that funds are not available. Credit to-day is extended on financial statements. Years ago we used to know Jim Jones, to-day everything is done, due to our vast internal distances, on financial statements, and I believe we should make it a criminal offence and punish a man for manipulating a 50-thousand-dollar credit from behind a nice desk, just as we do the pick-pocket who lifts your watch when you are walking home. To me both crimes are of the same type, except that the pick-pocket may have what we call more guts.

Q. It is your idea that the Federal Government should assume the cost of keeping in close touch with all these estates and prosecuting?—A. Eventually but not now. I believe the legislation before us is a step in that direction, to get at the English system of the official receiver functioning as examining officer and examining every debtor publicly in open court.

*By Mr. Elliott:*

Q. Do you mean the cost of the estate in each case?—A. Oh yes, there should be a levy, absolutely.

Q. In the case of a small estate the greater the cost. I am impressed by what Mr. Spence said. It seems to me the suggestion that is important to this Committee is endeavouring to see how the people who are losing the money of these various estates can get a greater percentage of the estate than they are getting at the present time in a great many cases. If you are going to insist on an examination such as you suggest in each case, that means that that examination costs perhaps as much in a small estate as it does in a larger one, it would mean that out of the smaller estates there will be a smaller percentage paid in the future than has been paid in the past.—A. A percentage on the estates. Look at it this way: we are having an abnormal number of bankruptcies to-day. More than 50 per cent are dishonest no doubt in some degree. I am not afraid of losing one or one and a half per cent or one-half per cent capital tax on every bankruptcy, let us pay, because proper administration of estates will bring fewer bankruptcies, that is the point. Let us aim at fewer bankruptcies.

*By Mr. Macdonald:*

Q. You appear to attach considerable importance to the examination of the debtor. What would you say, if you are going to have a public examination, as to having it before a judge, either County Court or Supreme Court, instead of before a registrar?—A. Well I am going more or less on experience gained by survey of the bankruptcy law of England, where they have a registrar and deputy registrars and official receivers. They know the law, I mean it is a specialized job, there is enough of it to keep a full time man busy in almost every centre.

Q. But the registrars have not power to commit a man to gaol. If you put teeth into this law, and give the County Court Judge power to send a man to