

JOU
Cat
Ann
1
2

QUEEN
HG
3769
.C3
C3
1934

1934
of the Super
Superintendent

Smith *file copy*
CCA files

OF THE

SUPERINTENDENT

OF

BANKRUPTCY

FOR THE CALENDAR YEAR 1934

Published by Authority of HON. E. N. RHODES, K.C., M.P.,
Minister of Finance



CANADA

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1935

Queen
HG
3769
C3
C3
1934

ANNUAL REPORT
OF THE
SUPERINTENDENT
OF
BANKRUPTCY

FOR THE CALENDAR YEAR 1934

Published by Authority of HON. E. N. RHODES, K.C., M.P.,
Minister of Finance



CANADA

OTTAWA
J. O. PATENAUDE
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1935

The Hon. E. N. RHODES, K.C., M.P.,
Minister of Finance,
Ottawa.

SIR,—I have the honour to submit my second Annual Report on the administration of the Bankruptcy Act during the year ending 31st December 1934.

A review of the administration of bankrupt estates in Canada since the Bankruptcy Act Amendment Act, 1932, came into effect indicates that very appreciable improvements have already been made, with resulting advantage to the business and commercial life of the country. I have outlined, in this report, the more important features of the work of supervision and of the results thereof. The tables comprising the Appendix present in statistical form a summary of the bankruptcies opened and closed during the year, together with certain data on administrative costs and payments to creditors.

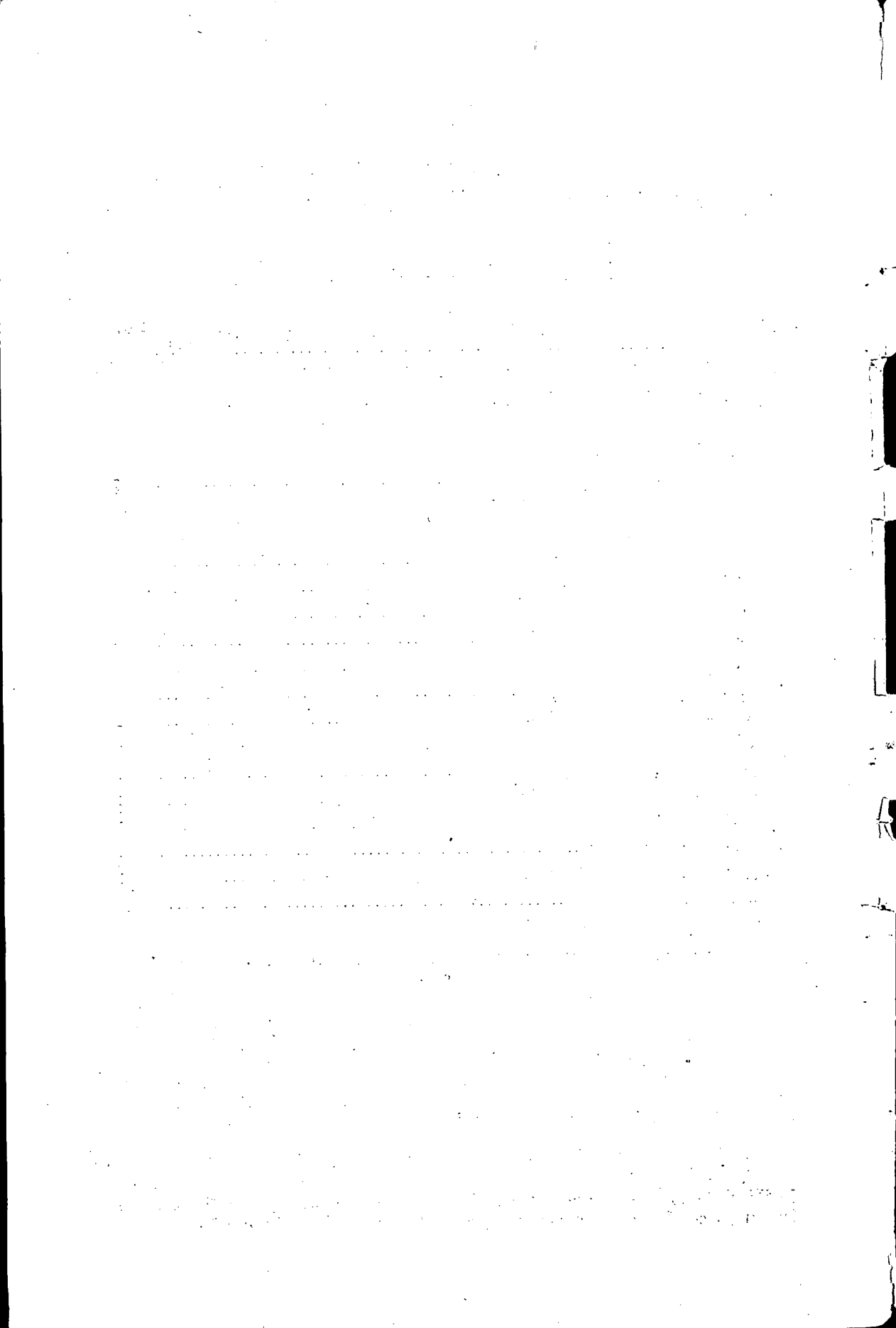
Yours very truly,

W. J. REILLEY,
Superintendent of Bankruptcy.

OTTAWA, 20th March, 1935.

CONTENTS

	PAGE
1. The Bankruptcy Act Amendment Act, 1932—Background and scope of the new legislation.....	5
2. Promulgation of the Bankruptcy Act in the Northwest Territories.....	5
3. Appointments of Official Receivers.....	5
4. Licensing and Supervisory Activities—	
(i) Licensing of Trustees—	
(a) Licences granted for 1934.....	6
(b) Licences cancelled in 1934.....	6
(c) Renewal of licences for 1935.....	6
(d) Distribution of licences.....	6
(ii) Security deposited by Trustees.....	7
(iii) Progressive supervision of estates.....	7
(iv) Reduction of administrative costs.....	8
(v) Complaints from creditors and others.....	9
(vi) Investigations.....	9
(vii) Personal contact with Court Officials and Trustees.....	10
(viii) Records of Trustees' operations.....	10
(ix) General observations on supervision.....	12
5. Prosecutions for Bankruptcy offences.....	13
6. The Farmers' Creditors Arrangement Act, 1934.....	14
7. Revenue and Expenditures.....	15
8. Appendix: Statistical Tables I to XXV—Bankruptcies, 1934—Index.....	17
Circular Memoranda 4 and 5.....	30



ANNUAL REPORT OF THE SUPERINTENDENT OF BANKRUPTCY FOR THE CALENDAR YEAR 1934

1. THE BANKRUPTCY ACT AMENDMENT ACT, 1932

The Bankruptcy Act Amendment Act of 1932 was passed to remedy the abuses that had prevailed in bankruptcy matters for some years prior to 1932. Fraudulent bankruptcies, defaulting and absconding trustees, collusion and connivance between debtors and trustees, solicitation of assignments, excessive costs, and unnecessary delays in the administration of estates were among the principal abuses alleged to exist and for which a remedy was sought. A lengthy investigation initiated in 1929 by the Council of the Bar of Montreal, continued and expanded by the Canadian Bar Association, and completed by a Special Committee of the House of Commons, established the existence of these and other abuses. The practically unanimous opinion of the members of these committees, and of those associations and individuals whose experience in bankruptcy matters entitled them to be heard, was that the most effective remedy was to be found in the licensing of trustees and in the continuous supervision of their operations. Provision to secure this control by the licensing and supervision of trustees was the most important change introduced by the Bankruptcy Act Amendment Act. W. J. Reilley, K.C., formerly Registrar of the Bankruptcy Court of the Province of Ontario, was appointed to the position of Superintendent of Bankruptcy on 1st October 1932, and the new legislation was declared to come into effect on 1st December 1932.

Some doubt immediately arose with regard to the extent and scope of the Amendments and, in particular, as to whether the supervisory provisions should apply to estates already in existence but not completely administered when the Amendments came into force. An early attempt to obtain a judicial interpretation was made in *In re Allan's Limited* (14 Canadian Bankruptcy Reports 179), in which case it was held that the Amendments of 1932 had no retroactive effect. It was not until December, 1933, that a comprehensive decision on the matter was reached when in the case of *A. S. Lavallee* (15 Canadian Bankruptcy Reports 169) it was held that the Amendments were in the nature of a remedial enactment, intended to protect the public from the continuation of the abuses formerly complained of and, consequently, were applicable to the administration of all bankruptcies on and after the 1st of December, 1932, irrespective of the dates upon which they came into existence. As the same principle has since been stated in *In re Colle and Gadbois* (15 Canadian Bankruptcy Reports 265 at 268) and in *in re Estate of William F. Mahon* (Nova Scotia), and other cases, there would not appear to be any further doubt in the matter.

2. PROMULGATION OF THE BANKRUPTCY ACT IN THE NORTHWEST TERRITORIES

As originally promulgated the Bankruptcy Act applied only to the nine provinces of Canada. It has recently been found advisable to extend the provisions of the Act to the Northwest Territories. Accordingly, by Order in Council of 26th June 1934 (P.C. 1293), the Bankruptcy Act was proclaimed to be in force in the Northwest Territories on and after the date on which such proclamation was first published in the *Canada Gazette*. Publication was made in the *Canada Gazette* on the 7th of July, 1934.

3. APPOINTMENTS UNDER THE BANKRUPTCY ACT—OFFICIAL RECEIVERS

George Argo McGillivray, Assistant Master of the Supreme Court of Ontario, Toronto, appointed Official Receiver for Bankruptcy Division No. 9, Ontario, vice Mr. O. E. Lennox, resigned. (P.C. 356, 21st February 1934.)

Francis Gordon Cook, Registrar in Bankruptcy, Toronto, appointed Official Receiver for Bankruptcy Division No. 9, Ontario, vice Mr. G. A. McGillivray, resigned. (P.C. 3299, 31st December 1934.)

Egbert Owen, Official Administrator of Estates for the Northwest Territories, Edmonton, appointed Official Receiver for the Northwest Territories. (P.C. 1271, 18th June, 1934).

Edward C. Weyman and Muriel Corkery, Barristers-at-law, Saint John, N.B., appointed Official Receivers for Bankruptcy Division No. 1, New Brunswick, vice Mr. C. H. Ferguson, deceased. (P.C. 3214, 19th December, 1934).

4. LICENSING AND SUPERVISORY ACTIVITIES

(i) LICENSING OF TRUSTEES

(a) Licences granted for 1934

Renewal certificates for 1934 were issued to 328 of the 360 trustees whose licences expired on 1st December, 1933. In addition, 23 new licences were issued during the year 1934, bringing the total number of licences in force in 1934 to 351.

(b) Licences Cancelled in 1934

Withdrawals from practice (2).

Death of trustees (2).

Failure to maintain security required by section 36A (3).

(c) Renewal of Licences for 1935

Of the 344 trustees whose licences expired on 31st December 1934, 303 applied for certificates of renewal for 1935; 300 applications for renewal have been granted, two have since been withdrawn, and one has not been granted.

(b) Distribution of Licences

The following table shows the distribution by provinces of the 300 licences renewed for 1935. In this table trustees licensed to operate in two or more provinces are shown only in the province in which their head offices are situated:—

Nova Scotia	11	Quebec	139	Saskatchewan	5
New Brunswick	6	Ontario	97	Alberta	7
Prince Edward Id.	2	Manitoba	11	British Columbia	22

A more accurate picture of the situation is given by the table below, which shows the number of trustees actually licensed to operate in each of the provinces. In this table trustees licensed to operate in two or more provinces are included in the total for each province in which they operate:

Nova Scotia	16	Quebec	149	Saskatchewan	17
New Brunswick	11	Ontario	109	Alberta	18
Prince Edward Id.	4	Manitoba	18	British Columbia	27

It will be seen from the above figures that while there has been an appreciable reduction since 1933 in the licences issued, the number is still comparatively high. This is particularly noticeable in practically all of the larger cities, where there are still many more trustees than can possibly be needed. This situation is largely a result of the very large number of applications for appointment received immediately after 1st December 1932, from qualified men with previous continued experience in the administration of bankrupt estates. It is generally

conceded that the number of licensed trustees operating in the larger centres is too high, and a consistent effort is being made to reduce still further the number of licences when this can be done without hardship to those already appointed. The overcrowding of trustees is productive of intense and unhealthy competition which is entirely opposed to the interests of the creditors and of good administration generally.

(ii) SECURITY DEPOSITED BY TRUSTEES

All applicants for appointment as trustees are required to deposit with the Superintendent, for the due and faithful performance of their duties, security in sums varying from \$2,000.00 to \$10,000.00, depending upon the importance of the centre in which they operate. The Superintendent is empowered by section 36A (3) (f) to increase or decrease the amount of the security deposited with him to such extent as he may from time to time determine. This qualifying or "blanket" security may be enforced if need be by the Superintendent on behalf of the creditors of any estate covered thereby. It is additional to the security deposited with the Official Receiver by licensees on their appointment as custodian or trustee to each estate, and provides a reasonable amount of marginal security for the protection of the creditors against the possibility of default on the part of a licensed trustee.

Experience has already proved the value of these qualifying bonds. They not only furnish a fund from which possible defalcations can be met; they also furnish an incentive to the trustees themselves to see that the administration of each estate is reasonably covered. For, should the periodical review of asset values in the hands of trustees reveal that any trustee is not sufficiently bonded, that trustee is immediately required to increase the amount of the bond filed with the Superintendent. In a number of cases trustees have already been required to substantially increase the amount of their bonds. To avoid this contingency and the consequent additional cost to themselves, the trustees now see that adequate surety bonds are filed in each estate. Formerly these were frequently of insufficient amount, if not overlooked altogether, in order to save to the estate the small premium payable on the bond. The amount of the bond filed by the trustee in each estate is now reported to the Superintendent by the Official Receiver. If, on examination of the statement of affairs, the amount of the bond is not found to provide reasonably sufficient security, the matter is immediately taken up with the Official Receiver and the trustee.

(iii) PROGRESSIVE SUPERVISION OF ESTATES

In addition to the record of trustees and estates that the Superintendent is required by section 36A (3) (b) to keep, it has been necessary to provide for the systematic and continued supervision of all estates to ensure the progress of their administration in a diligent and orderly manner. By this means the record of every individual estate is periodically reviewed and, where such action is necessary, the trustee is required to report progress on a form provided for this purpose. It is in this way possible for the Superintendent to keep informed of the progress of every estate in all parts of the country and to inquire, where necessary, into any phase of a trustee's administration which may require explanation. Should a progress report reveal that no good reason exists for the delay in closing an estate further inquiry is made and the matter followed up with a view to the administration being completed as soon as possible.

Continued progressive supervision of this kind during the past two years has revealed many differences in administrative methods and numerous departures from the methods of procedure prescribed by the Act. It has been found that in a surprisingly large number of cases no effort had formerly been made by trustees to comply with many of the statutory requirements. Estates were

frequently abandoned without notice before the administration was completed. A very great deal of time and effort has been devoted to the guidance of trustees in these matters of procedure and to obtain greater uniformity along these lines, and much has already been accomplished in this direction. Special attention has also been paid to the numerous old estates, in existence for years, which have not yet been completely administered as there was no obligation on Court officials to see that the trustees completed their duties. These are gradually being closed out with the assistance and co-operation of the officials of the Bankruptcy Courts and of the bonding companies.

(iv) REDUCTION OF ADMINISTRATIVE COSTS

The former extremely high cost of bankruptcy proceedings and administration, which in many cases left little or nothing for the creditors, was one of the principal grievances which the supervision introduced by the Bankruptcy Act Amendment Act, 1932, was expected to remedy. A great deal of attention has accordingly been given to this aspect of bankruptcy administration, and a very appreciable improvement is already apparent. The extent of this saving is indicated by the comparisons of administrative costs on page 12.

Three important items enter into the cost of administering bankrupt estates. These are: (a) trustees' fees and costs, (b) solicitors' fees and costs, and (c) Court costs.

Trustees are required to forward to the Superintendent copies of all interim and final statements of receipts and disbursements respecting their administration of estates. These are carefully examined to ensure that all disbursements and charges of whatsoever nature do not exceed the rates established by the Bankruptcy Act and Tariff. All charges in excess of those authorized by the Act are brought to the attention of the trustee concerned and, if necessary, to the attention of Registrars and taxing officers. In this way the provisions of section 85 and of the tariff governing trustees' remuneration and costs, those of section 162 limiting the amount of legal costs payable, and those of the tariff regulating the fees of Court officials have been constantly kept before those concerned. It may safely be said that the exploitation of estates formerly complained of has been definitely stopped, and that the fees and disbursements of those now engaged in the administration of bankruptcy matters have been reduced to a more reasonable and proper basis.

Probably the most difficult question to deal with is that concerning the limits placed by the Act on the fees and costs of solicitors to estates. Section 162 (3) of the Act definitely provides that solicitors acting for estates in which the gross proceeds do not exceed five thousand dollars cannot be paid more than ten per cent of the gross proceeds for their services. Similarly, under section 162 (4) in estates whereof the gross proceeds exceed five thousand dollars, solicitors cannot be paid more than five per cent of the gross proceeds, except with the approval of the Court. These limits are set by the Act and no objection can possibly arise from the observance of these provisions. They should be well known to all concerned and constitute a not unimportant feature of the economy of the Act.

Another important source of costs arose from the practice adopted in some parts of the Dominion of having a solicitor appear on every application made by a custodian or trustee, however routine in character. It was found that estates were being burdened with substantial costs for legal services on merely routine matters. In one estate it was found that legal costs of \$43.60 were incurred in attending to tax the custodian's accounts; \$79.50 on the custodian's application for discharge, and \$99.40 on taxation of the trustee's accounts and on his application for discharge; a total of \$222.50. In another estate legal costs totalling \$190.60 were incurred for the same services. As it can hardly be doubted that the custodian and the trustee are themselves in a better posi-

tion than anyone else to explain their accounts, and as elsewhere throughout Canada the amount payable would be from \$8 to \$25 approximately for Court disbursements only, these very high costs cannot under any circumstances be justified. It is believed, however, that all such difficulties have now been eliminated by the passing of Order in Council of 3rd November 1934 (P.C. 2737) introducing Bankruptcy Rule 5A, a new rule which provides that an interim receiver, custodian or trustee shall be entitled to appear in person before a Registrar on any application or proceeding.

(v) COMPLAINTS FROM CREDITORS AND OTHERS

During the year 105 complaints were received and recorded as compared with 134 received during the previous thirteen-month period ending 31st December 1933. Of the 105 complaints received in 1934, 63 dealt with estates in the hands of licensed trustees; the remaining 42 concerned the administration by unlicensed trustees of estates in existence prior to 1st December 1932. Every complaint received has been investigated by correspondence and, where necessary and practical, a personal investigation was made by a member of the staff.

As before, the majority of the complaints received deal with delays in the payment of claims and in the winding up of estates, and in many of these cases no blame attaches to the trustees who are usually doing their best to administer their estates as promptly and as efficiently as possible. In the few cases in which the trustees have been found to be at fault they have been required to attend to the matter without delay. It is realized, however, that even the most efficient and experienced trustee cannot always be expected to give complete satisfaction to everyone, and disappointed creditors are sometimes very difficult to deal with.

Special consideration is given to complaints received from debtors to ensure that right and equitable treatment has been given them during the course of the administration. These are often difficult cases to deal with, especially when the debtor, through no fault of his own, finds himself deprived of a business that has taken the better part of a lifetime to build up.

A different category of complaints consists of those received from persons attempting to use the right of supervision in this office as a means to coerce trustees into the settlement of claims of doubtful validity. These are not usually difficult to deal with. On the whole, comparatively few complaints of a serious character have been made against the administration of licensed trustees.

(vi) INVESTIGATIONS

Seven personal investigations were made during the year, as follows:—

1. The administration and accounts of a trustee were examined and a check made on his trust funds to ensure that all were in order. It had been found impossible to obtain satisfactory information from this trustee by correspondence. Renewal of his licence was withheld until the investigation was completed.

2. An investigation was made following the receipt of a complaint that a licensed trustee had solicited a debtor to make an assignment. The report of the investigation indicates that there was solicitation in this case, although this is denied by the trustee. The report has been filed for future reference and use, if necessary.

3. An investigation was made into certain complaints of irregularities by means of which a licensed trustee was attempting to secure an appointment to an estate with a view to the administration being conducted along lines favourable to certain interests. It was claimed that fictitious proofs of debt had been solicited by or on behalf of this trustee to enable him to obtain control of the

situation. The investigation revealed that solicitations had been made, but it was impossible to establish definitely by whom they had been made as the trustee himself denied having had anything to do with, or any knowledge of, any irregularities in the matter.

4. An examination was made of the accounts of a trustee with the concurrence of the trustee to determine if the bond filed with the Superintendent, which in 1933 had been increased to \$25,000, could be safely reduced to the normal amount of \$10,000. The report was favourable and the bond was reduced accordingly.

5. An investigation was made following the receipt of a complaint to the effect that a licensed trustee had altered the minutes of a meeting of the directors of a debtor company, in the interest of one of the creditors. The investigation failed to substantiate the allegation. The original minutes examined did not show any apparent alteration. The complainant has failed to produce any evidence in support of his allegation.

6. An examination of the records and accounts of a deceased trustee was made to ascertain the standing of the estates not completely administered by him at his death. An effort is being made to have each of these matters satisfactorily wound up.

7. An investigation was made following the receipt of a complaint that a licensed trustee had solicited proxies in order to obtain the appointment as trustee to a certain estate. The investigation revealed that although solicitations of proxies had undoubtedly been made it would be very difficult to definitely prove solicitation in this case. As in the other cases of this kind, the report has been noted and filed for future reference and use, if necessary.

A number of other matters of a more general character were personally investigated by the Superintendent or by members of his staff while on business outside of Ottawa. Whenever possible, advantage is taken of such opportunities to maintain personal contact with trustees and Court officials.

As in the previous year every effort has been made in view of the need for economy to keep expenditures as low as possible. Personal investigations have been made only in those cases in which the expenditure thereby incurred appeared to be justifiably and fully warranted, all other matters being investigated by means of correspondence. It is felt, however, that it is in the interest of improved administration that personal investigations be made more frequently than has hitherto been possible, in view of the undoubtedly beneficial effects derived therefrom. It is therefore probable that this phase of the work will receive more attention during the present year, should conditions continue to require it.

(vii) PERSONAL CONTACT WITH COURT OFFICIALS AND TRUSTEES

Supervision can always be better effected when there is personal acquaintance and contact with the officials of the Court and the trustees. An effort is accordingly made to keep in touch with officials and trustees as much as possible.

In June of 1933 the Superintendent visited the Maritime Provinces and called on a large number of Registrars, Official Receivers and trustees in these provinces. In September, 1934, he made a trip to the western provinces for the same purpose, his itinerary taking him to practically each city and town in Manitoba, Saskatchewan, Alberta and British Columbia in which a bankruptcy official or trustee is located. In the larger centres the trustees were gathered together and various problems arising in the course of their administration of estates were discussed. Such opportunities to meet and discuss these matters are of the greatest benefit to all concerned with the administration of the Act and cannot fail to produce excellent results.

(viii) RECORDS OF TRUSTEES' OPERATIONS

By Section 36A (3) (b) the Superintendent is required to keep a record of the estates to which each trustee is appointed, the value from time to time of the assets in the hands of each trustee, and particulars of the security deposited

by each trustee. The purpose of this record, which was opened on 1st December 1932, is to provide a simple method by which it is possible to summarily review the operations of each trustee at any time, with a view to protecting the creditors from the possibility of a shortage on the part of a trustee. It is satisfactory to note that not one cent has been lost to creditors on this account since the Bankruptcy Act Amendment Act, 1932, came into effect.

In addition to the above, it has been found necessary to keep records of certain general and particular phases of bankruptcies such as the numbers of estates opened and closed, the amounts of liabilities and assets and of the realization thereof, and of the cost of administration, in order that the Government may be kept informed of this aspect of the business conditions of the Dominion. It has also been found desirable to record certain more general data respecting the occupations of debtors, the size of their estates and the causes of their failures. This information has not hitherto been available and it is believed that it will be of value in many ways, and particularly in the event of amendments to the Bankruptcy Act being again considered. Fairly complete data have been compiled on the estates reported in 1933 and 1934. A series of tables covering the estates reported in 1934 and those closed in that year has been prepared to accompany this report and is included in the Appendix. The outstanding facts revealed by this review are as follows:—

NEW ESTATES—

1411 new bankruptcies were reported in 1934

The administration of 1620 estates was completed in 1934

These 1620 estates represented:

Total liabilities of	\$20,342,883
Total assets valued (by debtors) at	14,887,298
which realized	3,800,996

distributed as follows:

Payments to creditors	\$ 2,908,020
Payments to debtors in lieu of exemptions	12,173
Administrative costs	880,803

Average percentage cost of administration per estate, 23.1 per cent.

OLD ESTATES: (In existence prior to 1st December 1932)—

2030 old estates were reported in 1934

The administration of 1033 old estates was completed in 1934

938 of these estates represented:

A total realization of	\$ 5,011,959
Total administrative costs of	1,348,140

The remaining 95 old estates were closed in 1934 without final statements being received, these having been issued prior to 1st December 1932.

The above figures furnish a definite indication of the benefits now being secured to creditors by supervision. The old estates were subject to partial supervision only, that is, from 1st December 1932, onward, but the realization of the assets and the greater part of the administrative costs had been incurred prior to that date. A further analysis of these figures provides the following comparison:—

Average realization of old estates	\$5,343 24
Average cost of administering old estates	1,437 45
Average percentage cost of administration	26.9%

as against an average percentage cost of 23.1 for new estates fully administered under supervision.

THE SUPERINTENDENT OF BANKRUPTCY

The actual saving derived by creditors as a result of the supervision of this office has been calculated, in the case of the 1,620 new estates closed in 1934, to be \$390,897.00, when compared with the cost of administering the 938 old estates closed in 1934. This calculation is arrived at as follows:

COST OF ADMINISTERING 1620 NEW ESTATES IF CALCULATED ON PERCENTAGE COST OF ADMINISTERING OLD ESTATES

(The average percentage cost in old estates in 1934 was 26.9%)

Size of Estates	Total realization	Percentage cost of administration	Average cost of administration
	\$		\$
\$500 or under.....	141,625	89.1	126,188
\$501—\$1,000.....	217,767	60.0	130,660
\$1,001—\$2,500.....	510,772	45.6	232,912
\$2,501—\$5,000.....	566,752	37.8	214,232
\$5,001—\$10,000.....	543,901	34.1	185,470
over \$10,000.....	1,820,180	21.0	382,238
Administrative costs at average rate for old estates.....			1,271,700
Actual administrative costs.....			880,803
Estimated saving to creditors of 1620 new estates.....			390,897

Had the 938 "old" estates been administered on the same cost basis as the "new" estates, the saving in these old estates would have been as follows:

OLD ESTATES AT COST OF ADMINISTRATION OF NEW ESTATES

Size of Estate	Total realization	Percentage cost of administration	Average cost of administration
	\$		\$
\$500 or under.....	65,454	80.77	52,867
\$501 to \$1,000.....	97,954	52.15	51,083
\$1,001—\$2,500.....	270,334	35.92	94,866
\$2,501—\$5,000.....	348,586	24.38	84,985
\$5,001—\$10,000.....	672,804	19.79	133,148
over \$10,000.....	3,556,827	12.21	434,289
			851,238
Actual cost of administering old estates.....			1,348,140
Cost at average rate for new estates.....			851,238
Estimated saving if administered under supervision.....			496,902

(ix) GENERAL OBSERVATIONS ON SUPERVISION

Bankruptcy administration is hypothecated on the established principle that the assets of an insolvent debtor are a trust to be administered for the benefit of his creditors. When there is no equity remaining for the debtor he is interested only to the extent that his assets should be fairly and equitably distributed among his creditors. Accordingly, whether attention is directed towards the removal of former abuses, the constant checking made to see that administrative costs are kept within the provisions of the Act, the necessity of seeing that creditors are adequately protected against loss by requiring sufficient security to be provided, the investigation of complaints or the prompt, efficient and expeditious

administration by a trustee, the interest of the creditors is to be regarded as of paramount importance, no matter from what angle the situation may be considered. It is the creditors themselves who defray the cost of the supervision by means of a levy deducted from the amount received by them in respect of their claims. It is indeed a small contribution to a clean administration which insures a square deal to everyone, creditor and debtor alike. Direct and continuous supervision of the administration of bankruptcies has been found to provide the only assurance that the administration of these matters will proceed expeditiously, impartially and economically, and be duly terminated in accordance with the provisions of the Bankruptcy Act.

5. PROSECUTIONS FOR BANKRUPTCY OFFENCES

Fifty-three cases of offences against the Bankruptcy Act, in which there were apparently reasonable grounds for prosecution, have been reported to this office since 1st December 1932. Criminal prosecutions were instituted and the accused brought to trial in thirty-two of these cases; convictions were obtained at first instance in seventeen, and in seven others the accused were acquitted of the charges. Appeals entered against three convictions resulted in two of these being maintained and the third set aside. Eight are still before the Courts.

Of the remaining twenty-one cases, in six the accused escaped prosecution, temporarily at least, by absconding. In three the proceedings were abandoned on restitution or a satisfactory settlement being made. In three others criminal proceedings are contemplated, but the accused had not been arrested when the last reports were received.

The criminal proceedings contemplated in the remaining nine cases were abandoned for the reasons stated below, as reported by the trustees:—

CASE No. 11. No proceedings taken, apparently because of lack of funds. The receipts from the few assets (book debts) taken over were barely sufficient to cover the bankruptcy costs. For the same reason the debtor was not examined.

CASE No. 21. The debtor was a man of some standing in his community, and the creditors and inspectors do not wish to have anything further to do with the prosecution. They consider that, having stripped him of his assets and having reported his offences to the proper authorities, they have completed their duties, both legally and morally. If they, as creditors, take any further action by way of a criminal prosecution, the general attitude of the community would be that the trustee and creditors were persecuting the man.

CASE No. 22. The inspectors felt that this was a border-line case and that there would be little hope of a successful prosecution. They felt that failure to obtain a conviction in this case would tend to encourage rather than discourage further like practices. The three inspectors were solicitors.

CASE No. 41. The inspectors unanimously resolved that no further action be taken. The report of the trustee was made, apparently, in the hope that some machinery would be available under section 195 that would relieve the creditors of the burden of the prosecution.

CASE No. 45. No criminal proceedings are contemplated at this time, owing to lack of funds.

CASE No. 510. The inspectors have decided not to take any further steps. They were satisfied that it would be impossible to obtain a conviction on any grounds but that of issuing false statements to obtain credit, and the judge definitely quashed this possibility.

CASE No. 82. No proceedings instituted as debtor had left the country, as balance of funds in hand insufficient to cover costs of extradition and prosecution; and as it was apparently impossible to establish ownership of certain properties presumably owned by debtor abroad.

CASE No. 92. The matter of possible offences under the Act was taken up with the inspectors and they were of the opinion that as the estate had so little funds and as the offences might be difficult to prove, it would be useless to recommend that prosecution be instituted.

CASE No. 94. There are no funds in the estate to pay for criminal proceedings, and the inspector feels that no useful purpose would be served thereby.

The figures given above represent those cases only that have been reported to this office, and there is reason to believe that they are not all-inclusive. They are of value, however, as an indication of the results obtained in the prosecution of persons accused of these offences. It will be noted that in the twenty-four cases actually dealt with by the Courts, seventeen convictions were registered. One of these convictions was later set aside on appeal, reducing the total to sixteen, which may be considered a fair average in criminal prosecutions generally.

It is evident, however, that in a large percentage of cases the creditors were reluctant to prosecute, partly because of the expense of the necessary preliminary investigation and of the preliminary hearing, partly because of the uncertain outcome of the proceedings. It is apparent that no great progress will be made in bringing offenders to justice until such time as the creditors themselves become more determined to protect themselves from this species of crime. On the other hand, the leniency of the Courts in many cases in imposing penalties has discouraged the creditors very much. A change was made in 1932 by the amendment of section 195 (referred to in Case No. 41 above) to empower the Court to make an order directing a prosecution, but few orders have been made thereunder, and it is hardly to be expected that these rather exceptional provisions will be of general application. The responsibility to prosecute rests upon the creditors, and when necessary they should be prepared to authorize the use of possible dividends in criminal proceedings. When no funds are available with which to prosecute the offenders almost without exception go unpunished, unless the offence is so serious that the provincial authorities themselves assume the responsibility and expense of the prosecution. This is a phase of bankruptcy administration that would seem to warrant further study. The suggestion has recently been made in England that the creditors establish a special fund for this purpose. Here, the levy now collected is barely sufficient for present purposes, but it might be worth while to consider the advisability of increasing the rate of the levy to provide a fund for the investigation and prosecution of these offences.

6. THE FARMERS' CREDITORS ARRANGEMENT ACT, 1934

Rule 35 under this Act requires the Official Receiver in each case to forward certain documents therein named to the Superintendent of Bankruptcy. These are being filed and an index kept of each proposal so that a record of all relevant documents is available in the case of each farmer. In addition thereto the information contained in the farmers' statements of affairs is extracted and compiled in record form so that it will be available at any time to show particularly the deductions made in farmers' liabilities.

By Order in Council of the 15th November 1934 (P.C. 2845) the additional duty of approving of the reimbursement to Official Receivers of the costs of stenographic and clerical assistance and of their disbursements for rent was placed on the Superintendent of Bankruptcy. The same responsibility has been placed upon the Superintendent by Order in Council of the 16th February 1935 (P.C. 422) in respect of similar disbursements for Registrars of the provincial Boards of Review.

Section 15(2) of this Act provides that an Official Receiver acting as trustee, where an assignment or Receiving Order is made in the case of a farmer, shall be subject to such supervision by the Superintendent of Bankruptcy as may be determined by the Governor in Council. By Order in Council of 22nd February

1935 (P.C. 471), the same right of supervision was extended to trustees under this Act as under the Bankruptcy Act. The number of assignments made under this Act is not yet large but considerable assistance has already been given to trustees advising and informing them of the nature of their duties and of the procedure to be followed.

7. REVENUE AND EXPENDITURES

Detailed statements of the monthly revenues and of expenditures during 1934 are given below.

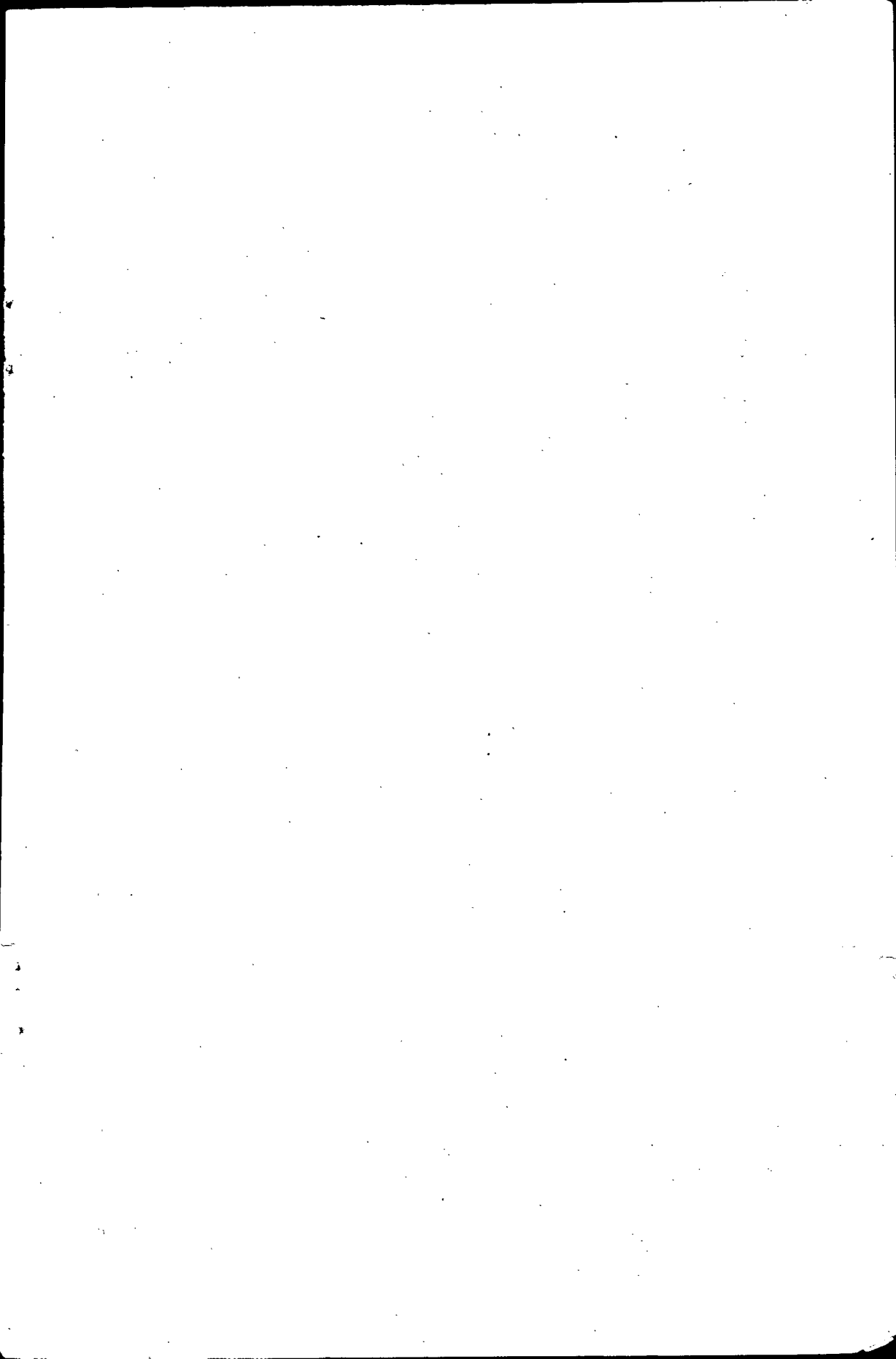
The revenue from the levy appears to have reached in this year the average which may be expected to be received therefrom until such time as business conditions generally and the real estate market will have shown some appreciable improvement. It will be seen from Table XXIII of the Appendix that of the 1,620 new estates closed during the past year, 984 had realized assets of \$1,000 or less, and 680 had realized assets of \$500 or less. It will readily be seen that very little revenue can be expected from these small estates in which the percentage administrative costs are relatively high, as the levy is wholly calculated upon and determined by the amount of the payments to creditors. The coming of better times, however, will probably improve the situation as to dividends and, consequently, the receipts from the levy. In the meantime, it is satisfactory to note that sufficient revenue is being collected to fulfil the purpose of the levy, which is to defray the cost of the supervision.

STATEMENT OF REVENUE—CALENDAR YEAR 1934

1934	Licence fees	Levy	Unclaimed Dividends	Undis-tributed Assets	Mis-cellaneous
	\$	\$	\$	\$	\$
January.....	235 00	2,921 46	162 50	47 35	1 50
February.....	70 00	2,574 15	9 85	12 57	
March.....	20 00	2,573 14	36 86	50 74	
April.....	100 00	1,801 44		150 59	
May.....		2,172 74	103 31	51 46	
June.....	60 00	2,930 35	323 78	15 10	
July.....	67 50	2,334 11	6 05	53 81	
August.....	25 00	1,647 28	4 04	14 82	
September.....	40 00	1,952 39	108 27	46 28	
October.....	1,896 25	2,048 84	0 92	121 56	
November.....	4,027 65	1,466 28	51 47	31 31	
December.....	608 75	2,447 52	23 88	17 93	
Total.....	7,150 15	26,869 70	830 93	613 52	1 50
Less Refunds.....	540 00	140 97			
	6,610 15	26,728 73	830 93	613 52	1 50

STATEMENT OF EXPENDITURE—CALENDAR YEAR 1934

Salaries.....	\$ 21,181 36
Printing and Stationery.....	1,579 94
Travelling.....	880 20
Rent and Maintenance.....	2,518 06
Sundry.....	112 22
Total Expenditures.....	\$ 26,271 78



APPENDIX

INDEX OF TABLES

NUMBER OF BANKRUPTCIES

TABLE		PAGE
I—	Bankruptcies reported in 1934—New estates, old estates, and totals for each Bankruptcy District*	18
II—	Bankruptcies reported in 1934—By months and by districts.....	18
III—	Assignments only (voluntary cases).....	19
IV—	Receiving orders only (involuntary cases).....	19
V—	Comparison of the number of assignments and receiving orders in regard to the total number of bankruptcies.....	19

DEBTORS' STATEMENTS

TABLE VI—	Assets and liabilities—total and averages by months according to debtors' statements for all new estates reported in 1934.....	20
VII—	As above—for new estates closed in 1934.....	20
VIII—	As Table VI—tabulated by districts.....	21
IX—	As above—for new estates closed in 1934.....	21

ADMINISTRATION

TABLE X—	Total realization of assets and cost of administration—by months.....	22
XI—	As above—by districts.....	22
XII—	Average net realization and cost of administration. Analysis of administrative costs—by months.....	23
XIII—	As above—by districts.....	23
XIV—	Analysis of total administrative costs—by months.....	24
XV—	As above—by districts.....	24
XVI—	Sizes of estates closed and their percentage of the total.....	25
XVII—	Estates of \$500 or less—number, total realization and cost of administration—average size and cost of administration—average percentage cost of administration.....	25
XVIII—	Estates of over \$500 up to \$1,000—as above.....	25
XIX—	Estates of over \$1,000 up to \$2,500—as above.....	26
XX—	Estates of over \$2,500 up to \$5,000—as above.....	26
XXI—	Estates of over \$5,000 up to \$10,000—as above.....	26
XXII—	Estates of over \$10,000—as above.....	27
XXIII—	Recapitulation of cost of administration according to size of estates....	27
XXIV—	Analytical statement showing total of all items of receipts and disbursements for all new estates closed (1,620) and average for each item..	28

OLD ESTATES

TABLE XXV—	Old estates reported in 1934. Realization and cost of administration—percentage and average—according to size of estates.....	29.
------------	---	-----

*NOTE.—In these Tables the figures for the cities of Montreal and Toronto are shown separately. They should be added to the figures for Quebec and Ontario to obtain the totals for these provinces.

THE SUPERINTENDENT OF BANKRUPTCY

TABLE I.—BANKRUPTCIES REPORTED IN 1934

NEW BANKRUPTCIES REPORTED

Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Montreal	Ontario	Toronto	Manitoba	Saskatchewan	Alberta	British Columbia	Total
42	34	8	365	429	269	95	54	31	31	53	1,411

BANKRUPTCIES IN EXISTENCE PRIOR TO 1ST DECEMBER 1932 (OLD ESTATES) REPORTED IN 1934

Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Montreal	Ontario	Toronto	Manitoba	Saskatchewan	Alberta	British Columbia	Total
45	17	8	346	272	496	220	174	164	163	125	2,030

TOTAL OF ALL BANKRUPTCIES REPORTED

Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Montreal	Ontario	Toronto	Manitoba	Saskatchewan	Alberta	British Columbia	Total
87	51	16	711	701	765	315	228	195	194	178	3,441

TABLE II.—BANKRUPTCIES REPORTED IN 1934—BY MONTHS AND BY DISTRICTS

	Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Montreal	Ontario	Toronto	Manitoba	Saskatchewan	Alberta	British Columbia	Total
January.....	2	4	0	35	41	39	13	7	4	7	6	158
February.....	8	4	0	35	32	19	4	5	5	4	8	124
March.....	3	1	2	21	35	28	13	2	5	4	2	116
April.....	3	5	0	37	48	24	11	7	4	2	4	145
May.....	5	3	1	29	27	19	6	5	2	2	3	102
June.....	4	4	0	22	25	19	6	3	4	1	11	99
July.....	2	1	2	29	33	17	7	7	3	2	2	110
August.....	3	1	0	13	33	13	3	2	2	1	3	79
September.....	2	1	0	35	22	24	7	8	2	2	2	105
October.....	3	6	1	32	46	21	7	2	0	2	7	127
November.....	5	4	1	44	40	21	11	3	0	2	2	133
December.....	2	0	1	33	42	20	7	3	0	2	3	113
Total.....	42	34	8	365	429	269	95	54	31	31	53	1,411

TABLE III.—ASSIGNMENTS ONLY (VOLUNTARY CASES)

	Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Montreal	Ontario	Toronto	Manitoba	Saskatchewan	Alberta	British Columbia	Total
1934												
January.....	2	4	0	34	40	36	9	6	3	5	5	144
February.....	7	4	0	32	29	16	2	5	4	3	6	108
March.....	3	1	1	20	30	25	10	2	5	3	0	100
April.....	3	5	0	31	45	21	5	5	4	1	4	124
May.....	5	3	1	24	19	17	3	4	2	2	3	83
June.....	4	4	0	18	20	19	5	2	4	1	8	85
July.....	2	1	1	26	36	16	5	7	3	2	2	101
August.....	3	1	0	9	29	17	2	2	1	1	1	66
September.....	1	1	0	32	21	21	6	8	2	2	2	96
October.....	2	5	1	31	40	21	4	2	0	1	6	113
November.....	5	2	1	38	36	19	9	3	0	1	2	116
December.....	1	0	1	28	37	15	4	3	0	2	1	92
Total.....	38	31	6	323	382	243	64	49	28	24	40	1,228

TABLE IV.—RECEIVING ORDERS ONLY (INVOLUNTARY CASES)

	Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Montreal	Ontario	Toronto	Manitoba	Saskatchewan	Alberta	British Columbia	Total
1934												
January.....	0	0	0	1	1	3	4	1	1	2	1	14
February.....	1	0	0	3	3	3	2	0	1	1	2	16
March.....	0	0	1	1	5	3	3	0	0	1	2	16
April.....	0	0	0	6	3	3	6	2	0	1	0	21
May.....	0	0	0	5	8	2	3	1	0	0	0	19
June.....	0	0	0	4	5	0	1	1	0	0	3	14
July.....	0	0	1	3	2	1	2	0	0	0	0	9
August.....	0	0	0	4	4	1	1	0	1	0	2	13
September.....	1	0	0	3	1	3	1	0	0	0	0	9
October.....	1	1	0	1	6	0	3	0	0	1	1	14
November.....	0	2	0	6	4	2	2	0	0	1	0	17
December.....	1	0	0	5	5	5	3	0	0	0	2	21
Total.....	4	3	2	42	47	26	31	5	3	7	13	183

TABLE V.—COMPARISON OF THE NUMBER OF ASSIGNMENTS AND RECEIVING ORDERS IN REGARD TO THE TOTAL NUMBER OF BANKRUPTCIES

	Assignments		Receiving orders		Totals	
	Number	Per cent	Number	Per cent	Number	Per cent
Nova Scotia.....	38	90.5	4	9.5	42	100
New Brunswick.....	31	91.2	3	8.8	34	100
Prince Edward Island.....	6	75.0	2	25.0	8	100
Quebec.....	323	88.5	42	11.5	365	100
Montreal.....	382	89.0	47	11.0	429	100
Ontario.....	243	90.3	26	9.7	269	100
Toronto.....	64	67.4	31	32.6	95	100
Manitoba.....	49	90.7	5	9.3	54	100
Saskatchewan.....	28	90.3	3	9.7	31	100
Alberta.....	24	77.4	7	22.6	31	100
British Columbia.....	40	75.5	13	24.5	53	100
Totals.....	1,228	87.0	183	13.0	1,411	100

THE SUPERINTENDENT OF BANKRUPTCY

TABLE VI—ASSETS AND LIABILITIES ACCORDING TO DEBTORS' STATEMENTS

TOTAL AND AVERAGES BY MONTHS FOR ALL NEW ESTATES REPORTED IN 1934

Month	Number of estates	Total		Average per estate	
		Assets	Liabilities	Assets	Liabilities
		\$	\$	\$	\$
January.....	158	2,083,888	2,493,003	13,252	15,779
February.....	124	1,058,140	1,367,524	8,533	11,029
March.....	116	1,047,190	1,449,120	9,020	12,402
April.....	145	880,970	2,655,504	6,076	18,314
May.....	102	988,473	1,237,654	9,681	12,134
June.....	99	1,260,860	2,893,527	12,736	29,227
July.....	110	1,651,446	1,570,184	15,013	14,275
August.....	79	1,169,669	1,254,706	14,806	15,882
September.....	105	1,191,903	1,275,217	11,351	12,145
October.....	127	1,113,296	1,561,229	8,766	12,203
November.....	133	1,552,659	2,121,060	11,674	15,948
December.....	113	683,982	1,329,686	6,053	11,767
Total.....	1,411	14,682,476	21,208,474	10,406	15,031

TABLE VII—ASSETS AND LIABILITIES ACCORDING TO DEBTORS' STATEMENTS

TOTAL AND AVERAGES BY MONTHS FOR ALL NEW ESTATES CLOSED IN 1934

Month	Number of estates	Total		Average per estate	
		Assets	Liabilities	Assets	Liabilities
		\$	\$	\$	\$
January.....	184	1,598,969	2,370,085	8,690	12,881
February.....	142	1,327,134	1,609,347	9,346	11,756
March.....	161	1,372,544	1,609,900	8,525	99,994
April.....	148	1,790,415	1,679,885	12,097	11,350
May.....	171	1,112,467	1,989,028	6,505	11,633
June.....	130	819,205	1,276,354	6,301	9,818
July.....	107	903,290	1,312,491	8,442	12,265
August.....	94	1,105,922	1,249,115	11,765	13,288
September.....	119	1,295,336	2,489,504	10,885	20,020
October.....	138	1,111,025	1,472,534	8,051	10,671
November.....	119	1,098,035	1,237,524	9,227	10,819
December.....	107	1,352,956	1,937,116	12,644	18,104
Total.....	1,620	14,887,298	20,342,883	9,190	12,557

TABLE VIII—ASSETS AND LIABILITIES ACCORDING TO DEBTORS' STATEMENTS

TOTAL AND AVERAGES BY DISTRICTS FOR ALL NEW ESTATES REPORTED IN 1934

Province or city	Number of estates	Total		Average per estate	
		Assets	Liabilities	Assets	Liabilities
		\$	\$	\$	\$
Nova Scotia.....	42	416,917	520,307	9,926	12,388
New Brunswick.....	34	154,816	192,813	4,553	5,671
Prince Edward Island.....	8	18,472	67,605	2,309	8,451
Quebec.....	365	3,357,241	4,258,804	9,193	11,666
Montreal.....	429	4,103,094	5,935,918	8,576	13,953
Ontario.....	269	2,455,703	2,939,573	9,092	11,114
Toronto.....	95	1,332,299	3,471,107	14,024	36,538
Manitoba.....	54	436,047	531,311	9,075	9,938
Saskatchewan.....	31	431,814	431,646	13,929	13,924
Alberta.....	31	934,356	608,265	30,141	19,921
British Columbia.....	53	1,036,717	2,151,125	19,561	40,589
Total.....	1,411	14,682,476	21,208,474	10,406	15,031

TABLE IX—ASSETS AND LIABILITIES ACCORDING TO DEBTORS' STATEMENTS

TOTAL AND AVERAGES BY DISTRICTS FOR ALL NEW ESTATES CLOSED IN 1934

Province or city	Number of estates	Total		Average per estate	
		Assets	Liabilities	Assets	Liabilities
		\$	\$	\$	\$
Nova Scotia.....	49	381,566	751,220	7,787	15,331
New Brunswick.....	38	220,998	431,439	5,816	11,354
Prince Edward Island.....	10	38,006	68,894	3,801	6,889
Quebec.....	473	4,436,564	5,128,659	9,379	10,843
Montreal.....	475	3,697,273	5,894,648	7,784	12,409
Ontario.....	327	2,219,095	2,704,833	6,786	8,272
Toronto.....	84	1,918,182	2,954,159	22,835	35,168
Manitoba.....	54	1,283,639	1,223,746	23,771	22,662
Saskatchewan.....	33	183,606	312,478	5,564	9,469
Alberta.....	50	402,185	586,211	8,044	11,724
British Columbia.....	27	106,184	286,546	3,933	10,613
Total.....	1,620	14,887,298	20,342,833	9,190	12,557

THE SUPERINTENDENT OF BANKRUPTCY

TABLE X—TOTAL REALIZATION OF ASSETS AND COST OF ADMINISTRATION BY MONTHS

Month	Number of Estates	Gross Receipts	Net receipts from operations	Total Realization	Total cost of Administration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
January.....	184	349,984 88	7,641 08	357,625 96	37,188 19
February.....	142	348,052 80	1,090 26	349,143 06	72,922 40
March.....	161	279,519 60	108 30*	279,411 30	79,472 78
April.....	148	369,679 62	1,202 47*	368,477 15	86,012 75
May.....	171	282,809 18	3,257 04*	279,552 14	77,301 55
June.....	130	276,149 71	1,908 66*	274,241 05	60,158 32
July.....	107	232,855 39	19,254 38	252,109 77	60,891 05
August.....	94	282,863 16	12,202 57	295,065 73	55,093 94
September.....	119	273,119 31	4,360 22	277,479 53	34,913 41
October.....	138	272,881 67	14,306 30	287,187 97	72,665 54
November.....	119	294,784 64	31,713 81	326,498 45	87,725 31
December.....	107	453,733 95	470 19	454,204 14	76,452 59
	1,620	3,716,433 91	84,562 34	3,800,996 25	880,802 83

*Loss.

TABLE XI—TOTAL REALIZATION OF ASSETS AND COST OF ADMINISTRATION BY DISTRICTS

Province or city	Number of Estates	Gross Receipts	Net receipts from operations	Total Realization	Total cost of Administration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	49	95,727 29	4,020 22	99,747 51	22,478 86
New Brunswick.....	38	84,155 51	8,361 95	92,517 46	26,011 90
Prince Edward Island.....	10	11,578 00		11,578 00	4,147 63
Quebec.....	473	1,109,127 90	16,739 85	1,125,867 75	263,262 80
Montreal.....	475	1,048,956 19	5,597 16	1,054,553 35	253,858 23
Ontario.....	327	529,292 98	37,838 66	567,151 64	143,681 36
Toronto.....	84	441,037 75	3,158 28	444,196 03	77,281 16
Manitoba.....	54	231,094 43	2,203 68	233,298 11	47,672 61
Saskatchewan.....	33	42,850 12	509 98	43,420 10	11,689 18
Alberta.....	50	83,791 16	5,893 34	94,684 50	19,435 15
British Columbia.....	27	33,822 53	159 22	33,981 80	11,283 05
Total.....	1,620	3,716,433 91	84,562 34	3,800,996 25	880,802 83

TABLE XII—AVERAGE NET REALIZATION AND COST OF ADMINISTRATION, AND ANALYSIS OF ADMINISTRATIVE COSTS—BY MONTHS

Month	Number of estates	Average size of estates (a)		Average cost of administration		Percentage cost of administration	Custodian	Trustee	Legal	Levy	Less trustee's net deficit	Net cost of administration
		\$	cts.	\$	cts.							
January.....	184	1,943	62	473	85	24.38	101 17	282 86	88 98	7 55	6 72	473 85
February.....	142	2,458	75	513	54	20.88	113 55	305 32	95 68	3 50	10 52	513 54
March.....	161	1,735	47	493	62	27.92	105 07	301 43	88 46	5 40	6 75	493 62
April.....	148	2,489	71	581	17	23.34	121 16	347 17	118 15	8 47	13 79	581 17
May.....	171	1,634	81	452	05	27.65	144 22	270 49	74 63	5 76	13 06	452 05
June.....	130	2,109	55	462	75	21.93	101 22	296 72	75 86	8 06	19 12	462 75
July.....	107	2,356	16	569	07	24.15	105 64	355 77	108 45	8 91	9 71	569 07
August.....	94	3,138	99	586	10	18.75	109 39	393 52	85 08	8 61	11 01	586 10
September.....	119	2,331	76	713	60	30.60	124 30	438 73	156 88	7 91	14 24	713 60
October.....	138	2,081	07	526	56	25.30	100 44	323 36	107 54	7 37	12 14	526 56
November.....	119	2,743	69	569	12	20.74	115 48	368 13	88 84	10 95	14 20	569 12
December.....	107	4,244	89	714	51	16.83	120 96	464 54	130 22	9 56	10 80	714 51
	1,620	2,346	29	543	70	23.10	110 64	336 76	99 96	7 99	11 65	543 70

TABLE XIII—AVERAGE NET REALIZATION AND COST OF ADMINISTRATION, AND ANALYSIS OF ADMINISTRATIVE COSTS—BY DISTRICTS

Province or City	Number of estates	Average size of estates (a)		Average cost of administration		Percentage cost of administration	Custodian	Trustee	Legal	Levy	Less trustee's net deficit	Net cost of administration
		\$	cts.	\$	cts.							
Nova Scotia.....	49	2,035	66	458	75	22.53	56 02	296 55	101 41	7 95	3 18	458 75
New Brunswick.....	38	2,434	67	684	52	28.11	121 52	402 84	171 10	7 66	18 60	684 52
Prince Edward Island.....	10	1,157	80	414	76	35.82	84 29	240 53	98 18	3 72	11 96	414 76
Quebec.....	473	2,380	27	556	58	23.37	110 36	348 06	100 92	8 43	11 20	556 58
Montreal.....	475	2,220	11	534	44	24.07	108 42	338 86	99 98	7 10	16 93	534 44
Ontario.....	327	1,734	10	439	39	25.33	92 92	270 24	71 01	5 78	9 57	439 39
Toronto.....	84	5,288	04	920	02	17.39	155 40	548 21	207 60	17 18	8 39	920 02
Manitoba.....	54	4,320	34	882	32	20.43	223 98	515 70	132 79	17 29	6 95	882 32
Saskatchewan.....	33	1,315	76	354	22	26.92	118 63	119 58	32 30	4 06	0 36	354 22
Alberta.....	50	1,893	69	388	70	20.52	120 21	215 60	49 16	7 05	3 31	388 70
British Columbia.....	27	1,288	58	417	92	33.20	69 38	243 04	107 38	4 04	5 93	417 92
	1,620	2,346	29	543	70	23.10	110 64	336 76	99 96	7 99	11 65	543 70

(a) Based on the realization of assets.

THE SUPERINTENDENT OF BANKRUPTCY

TABLE XIV—ANALYSIS OF TOTAL ADMINISTRATIVE COSTS—BY MONTHS

Month	Number of estates	Custodian	Trustee	Legal	Levy	Less net deficit	Net cost of administration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
January.....	184	18,615 06	52,046 58	16,372 79	1,390 53	1,236 77	87,188 19
February.....	142	16,124 77	43,356 04	13,586 55	1,349 33	1,494 29	72,922 40
March.....	161	16,917 59	48,531 73	14,241 96	869 78	1,088 28	79,472 78
April.....	148	17,932 61	51,381 53	17,486 50	1,254 14	2,042 03	86,012 75
May.....	171	19,532 97	46,254 93	12,762 63	985 80	2,234 78	77,301 55
June.....	130	13,159 66	38,573 93	9,862 63	1,048 15	2,486 05	60,158 32
July.....	107	11,304 38	38,067 52	11,604 26	953 89	1,039 00	60,891 05
August.....	94	10,330 33	36,991 12	7,997 73	809 98	1,035 22	55,093 94
September.....	119	14,791 93	52,209 81	18,669 20	942 93	1,695 46	84,918 41
October.....	138	13,860 20	44,623 52	14,841 02	1,017 08	1,676 28	72,665 54
November.....	119	13,731 93	43,807 31	10,572 70	1,303 55	1,690 18	67,725 31
December.....	107	12,943 36	49,705 58	13,935 66	1,023 79	1,155 80	76,452 59
Total.....	1,620	179,244 79	545,549 60	161,933 63	12,948 95	18,874 14	880,802 83

TABLE XV—ANALYSIS OF TOTAL ADMINISTRATIVE COSTS—BY DISTRICTS

Province or City	Number of estates	Custodian	Trustee	Legal	Levy	Less net deficit	Net cost of administration
		\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Nova Scotia.....	49	2,745 31	14,530 92	4,968 91	389 73	156 01	22,478 86
New Brunswick...	38	4,617 87	15,307 80	6,501 93	291 32	707 02	26,011 90
Prince Edward Isl.	10	842 92	2,405 37	981 76	37 23	119 65	4,147 63
Quebec.....	473	52,201 42	164,633 21	47,737 32	3,990 04	5,299 19	263,262 80
Montreal.....	475	51,502 14	159,533 92	47,490 30	3,374 56	3,042 69	253,858 23
Ontario.....	327	30,387 88	91,311 99	23,220 86	1,892 06	3,131 43	143,681 36
Toronto.....	84	13,053 90	40,050 01	17,438 46	1,443 85	705 06	77,281 16
Manitoba.....	54	12,094 76	27,848 07	7,171 00	934 13	375 35	47,672 61
Saskatchewan.....	33	3,914 95	6,586 20	1,065 84	134 03	11 84	11,689 18
Alberta.....	50	6,010 13	10,780 00	2,458 02	352 83	165 83	19,435 15
British Columbia..	27	1,873 51	6,562 11	2,899 23	109 17	160 07	11,283 95
Total.....	1,620	179,244 79	545,549 60	161,933 63	12,948 95	18,874 14	880,802 83

TABLE XVI—SIZES OF ESTATES CLOSED AND THEIR PERCENTAGE OF THE TOTAL

Province or City	\$500 or under	\$501-1000	\$1001-2500	\$2501-5000	\$5001-10,000	Over 10,000	Total
Nova Scotia.....	18	11	8	7	3	2	49
New Brunswick.....	17	8	5	3	3	2	38
Prince Edward Island.....	4	1	4	1	0	0	10
Quebec.....	184	77	101	56	35	20	473
Montreal.....	243	70	79	43	20	20	475
Ontario.....	108	101	75	26	10	7	327
Toronto.....	25	10	27	10	1	11	84
Manitoba.....	17	14	9	3	4	7	54
Saskatchewan.....	16	4	6	6	1	0	33
Alberta.....	35	4	5	2	0	4	50
British Columbia.....	13	4	5	4	1	0	27
Total.....	680	304	324	161	78	73	1,620
Percentage.....	41.97	18.77	20	9.94	4.82	4.50	100

TABLE XVII—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE

(1) ESTATES OF \$500 OR LESS

Province or City	Number of estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	18	3,104	1,722	177 44	95 67
New Brunswick.....	17	2,921	2,195	171 82	129 12
Prince Edward Island.....	4	1,452	1,175	363 00	293 75
Quebec.....	184	45,672	38,425	248 23	208 83
Montreal.....	243	49,031	42,017	201 77	172 91
Ontario.....	108	23,340	16,961	216 11	157 04
Toronto.....	25	2,699	1,855	107 96	(a) 74 20
Manitoba.....	17	2,660	2,100	156 47	123 53
Saskatchewan.....	16	2,669	2,061	166 81	128 81
Alberta.....	35	4,768	3,871	136 23	110 60
British Columbia.....	13	3,219	2,013	247 62	154 85
Total.....	680	141,625	114,395	208 27	168 23

Average percentage cost of administration 80.77%.

(a) *Re Toronto:* Of the above 25 bankruptcies it is to be noted that 11 show no realization nor costs of administration, the same having been absorbed by the trustee or paid by other parties. The average size of the remaining 14 estates and costs of administration are as follows:—

Size of estates.....	\$ 192 79
Cost of administration.....	132 50

TABLE XVIII—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE

(2) ESTATES OVER \$500 UP TO \$1,000

Province or City	Number of estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	11	8,127	2,957	738 82	268 82
New Brunswick.....	8	6,546	2,689	818 25	336 12
Prince Edward Island.....	1	584	317	584 00	317 00
Quebec.....	77	55,508	32,318	720 88	419 72
Montreal.....	70	49,531	27,747	707 59	396 39
Ontario.....	101	71,307	34,626	706 01	342 83
Toronto.....	10	7,491	3,832	749 10	383 20
Manitoba.....	14	10,487	5,293	749 07	378 07
Saskatchewan.....	4	2,466	1,053	616 50	263 25
Alberta.....	4	2,780	1,449	695 00	362 25
British Columbia.....	4	2,940	1,299	735 00	324 75
Total.....	304	217,767	113,580	716 34	373 62

Average percentage cost of administration, 52.15%.

THE SUPERINTENDENT OF BANKRUPTCY

TABLE XIX—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE
(3) ESTATES OVER \$1,000 UP TO \$2,500

Province or City	Number of estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	8	11,118	3,075	1,389 75	384 37
New Brunswick.....	5	7,000	2,421	1,400 00	484 20
Prince Edward Island.....	4	6,886	1,800	1,721 50	450 00
Quebec.....	101	159,541	51,917	1,579 01	543 73
Montreal.....	79	121,278	47,659	1,535 16	603 28
Ontario.....	75	121,570	43,340	1,620 93	577 87
Toronto.....	27	41,832	16,686	1,549 33	618 00
Manitoba.....	9	16,040	5,157	1,848 89	573 00
Saskatchewan.....	6	10,094	3,317	1,665 67	552 33
Alberta.....	5	8,002	2,557	1,600 40	511 40
British Columbia.....	5	6,811	2,550	1,362 20	510 00
Total.....	324	510,772	183,479	1,576 46	569 38

Average percentage cost of administration, 35.92%.

TABLE XX—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE
(4) ESTATES OVER \$2,500 UP TO \$5,000

Province or City	Number of estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	7	22,409	6,590	3,201 29	941 43
New Brunswick.....	3	11,842	2,571	3,947 33	857 00
Prince Edward Island.....	1	2,656	856	2,656 00	856 00
Quebec.....	56	201,202	46,535	3,592 89	830 98
Montreal.....	43	151,195	40,328	3,516 16	937 86
Ontario.....	26	86,488	19,491	3,326 46	749 65
Toronto.....	10	37,439	8,221	3,743 90	822 10
Manitoba.....	3	8,285	3,904	2,761 67	1,301 33
Saskatchewan.....	6	21,701	4,052	3,616 83	673 67
Alberta.....	2	7,575	1,004	3,787 50	502 00
British Columbia.....	4	15,960	4,509	3,990 00	1,127 25
Total.....	161	566,752	138,061	3,520 20	857 52

Average percentage cost of administration, 24.38%.

TABLE XXI—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE

(5) ESTATES OVER \$5,000 UP TO \$10,000

Province or City	Number of estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	3	21,263	4,530	7,087 67	1,510 00
New Brunswick.....	3	19,702	9,654	6,567 33	3,218 00
Prince Edward Island.....	0				
Quebec.....	35	258,143	41,616	7,375 51	1,189 03
Montreal.....	20	135,707	29,834	6,785 35	1,491 00
Ontario.....	10	60,812	12,317	6,051 20	1,231 70
Toronto.....	1	5,353	1,915	5,353 00	1,915 00
Manitoba.....	4	31,331	5,660	7,845 25	1,415 00
Saskatchewan.....	1	6,490	1,206	6,490 00	1,206 00
Alberta.....	0				
British Columbia.....	1	5,050	913	5,050 00	913 00
Total.....	78	543,901	107,645	6,973 10	1,303 14

Average percentage cost of administration, 19.79%.

TABLE XXII—COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATE

(6) ESTATES OVER \$10,000

Province or City	Number of estates	Total realization	Total cost of administration	Average size of estate	Average cost of administration
		\$	\$	\$ cts.	\$ cts.
Nova Scotia.....	2	33,636	3,605	16,818 00	1,802 50
New Brunswick.....	2	44,506	6,482	22,253 00	3,241 00
Prince Edward Island.....	0				
Quebec.....	20	405,806	49,452	20,290 30	2,472 60
Montreal.....	20	547,810	66,273	27,390 50	3,313 65
Ontario.....	7	203,635	16,946	29,090 71	2,420 86
Toronto.....	11	349,383	44,772	31,762 09	4,070 18
Manitoba.....	7	163,844	25,559	23,406 28	3,651 27
Saskatchewan.....	0				
Alberta.....	4	71,560	10,554	17,890 00	2,638 50
British Columbia.....	0				
Total.....	73	1,820,180	223,643	24,933 97	3,063 60

Average percentage cost of administration, 12.21%.

TABLE XXIII—RECAPITULATION OF COST OF ADMINISTRATION ACCORDING TO SIZE OF ESTATES

Size of estate	Number of estates	Total realization	Cost of administration	Average realization	Average cost of administration	Percentage cost of administration
\$		\$	\$	\$ cts.	\$ cts.	Per cent.
500 or under.....	680	141,625	114,395	208 27	168 23	80.77
501—1,000.....	304	217,767	113,580	716 34	373 62	52.15
1,001—2,500.....	332	510,772	183,479	1,538 46	552 65	35.92
2,501—5,000.....	161	566,752	138,061	3,520 20	857 52	24.38
5,001—10,000.....	70	543,901	107,645	7,770 00	1,537 79	19.79
over 10,000.....	73	1,820,180	223,643	24,933 97	3,063 60	12.21
Total.....	1,620	3,800,997	880,803	2,346 29	543 70	23.17

TABLE XXIV.—ANALYTICAL STATEMENT SHOWING TOTAL OF ALL ITEMS OF RECEIPTS AND DISBURSEMENTS FOR ALL NEW ESTATES CLOSED (1620) AND AVERAGE FOR EACH ITEM.

	Total	—	Average	—
	\$ cts.		\$ cts.	
<i>Receipts—</i>				
Gross receipts.....	3,716,433 91		2,294 09	
Net receipts from operations.....	84,562 34		52 20	
Total realization.....		3,800,996 25		2,346 29
<i>Disbursements;</i>				
<i>Custodian</i>				
Fees of Official Receiver.....	25,492 93		15 73	
Advertising.....	29,775 37		18 38	
Notices to creditors.....	17,616 90		10 87	
Postage.....	8,323 03		5 14	
Possession and stocktaking.....	68,284 55		42 15	
Bond and insurance premiums.....	12,600 76		7 78	
Miscellaneous.....	17,151 20		10 59	
Total Custodian.....		179,244 79		110 64
<i>Trustee</i>				
Advertising.....	29,294 89		18 08	
Bond and insurance premiums.....	34,527 92		21 31	
Auctioneer.....	16,548 30		10 22	
Notices to creditors.....	30,685 62		18 94	
Postage.....	15,672 02		9 68	
Registrar's fees.....	32,304 75		19 94	
Inspectors' fees and disbursements.....	37,946 03		23 42	
Trustee's remuneration.....	226,734 89		139 96	
Miscellaneous.....	121,835 18		75 21	
Total Trustee.....		545,549 60		336 76
<i>Legal</i>				
On petition or assignment.....	61,631 96		38 04	
Solicitor to estate.....	97,845 25		60 40	
Awarded against trustee.....	2,456 42		1 52	
Total legal.....		161,933 63		99 06
Levy.....		12,948 95		7 99
Less trustee's deficits over residue.....		899,676 97		555 35
		18,874 14		11 65
Net cost of administration.....		880,802 83		543 70
Exemptions allowed debtor.....	12,173 57	12,173 57	7 51	7 51
Secured creditors.....	782,711 65		483 16	
Preferred creditors.....	813,515 57		502 17	
Ordinary creditors.....	1,311,792 63		809 75	
Total paid to creditors.....		2,908,019 85		1,795 08
Total payments.....		3,800,996 25		2,346 29

TABLE XXV.—OLD ESTATES REPORTED IN 1934
 REALIZATION AND COST OF ADMINISTRATION ACCORDING TO SIZE OF
 ESTATES

Amount of realization	Number of estates	Total realization	Cost of administration
		\$	\$
\$500 or under.....	357	65,454	58,352
\$ 501—\$ 1,000.....	136	97,954	58,811
\$1,001—\$ 2,500.....	164	270,334	123,270
\$2,501—\$ 5,000.....	101	348,586	131,898
\$5,001—\$10,000.....	93	672,804	229,012
Over \$10,000.....	87	3,556,827	746,197
	938	5,011,959	1,348,140

Amount of realization	Average realization	Average cost of administration	Percentage cost of administration
	\$ cts	\$ cts	Per cent
\$500 or under.....	183 34	163 45	89.1
\$ 501—\$ 1,000.....	720 25	432 43	60.0
\$1,001—\$ 2,500.....	1,048 38	751 65	45.6
\$2,501—\$ 5,000.....	3,451 35	1,305 92	37.8
\$5,001—\$10,000.....	7,234 45	2,468 95	34.1
Over \$10,000.....	40,883 06	8,576 97	21.0
	5,343 24	1,437 25	26.9

THE SUPERINTENDENT OF BANKRUPTCY

CIRCULAR MEMORANDUM TO TRUSTEES

(No. 4 - May 1934)

Re: Estates not fully administered on 1st December 1932

I have learned that, in some estates under administration on the 1st December 1932, discharges have been granted to trustees and debtors without the required notices and documents having been forwarded to me.

Section 57 of the Bankruptcy Act requires the trustee to submit a copy of the statement of receipts and disbursements and of the final dividend sheet to the Superintendent of Bankruptcy, and Bankruptcy Rule No. 125 requires trustees to give at least ten days' notice of their application for discharge to the debtor, to each creditor, and to the Superintendent. The Amendments of 1932 to the Bankruptcy Act have been held to apply to all estates under administration on the 1st December 1932, as well as to those coming into existence thereafter. It is therefore necessary, in order that the supervision contemplated by the Amendments be effective, that in all cases notice of the trustee's application for discharge be sent to me together with a copy of the statement of receipts and disbursements and dividend sheet.

Trustees are required also by Section 141 (3) to give fourteen days' notice to the Superintendent of Bankruptcy of the hearing of a debtor's application for discharge.

You are required accordingly to furnish me with copies of all notices of application for discharge of trustees, together with the accompanying statements of receipts and disbursements and final dividend sheets, issued on or after the 9th day of December, 1933, the date on which the written judgment of Mr. Justice Boyer in *In re A. S. Lavallee* was delivered (see Circular Memorandum to Trustees No. 3). You are required also to forward copies of all notices of applications for discharge by debtors issued on or after the 9th day of December, 1933. A notation should be made on each notice of the date upon which the application has been granted, when such is the case. Applications with respect to which notice has already been given to me need not be duplicated. You are requested to see that copies of all notices of application for the discharge of the trustee (with accompanying documents) and of the debtor are forwarded in future on the dates on which they are issued.

I would ask you also to forward a list of all estates under administration on the 1st day of December, 1932, with respect to which you have not yet been fully discharged by the Court.

Kindly acknowledge receipt of this memorandum.

W. J. REILLEY,

Superintendent of Bankruptcy.

CIRCULAR MEMORANDUM TO TRUSTEES

(No. 5 - November 1934)

The attention of trustees is directed to the following change in the Bankruptcy Rules, which have been amended by Order in Council of 3rd November 1934 (P.C. 2737) by adding thereto the following as Rule 5A:—

“Rule 5A. An interim receiver, custodian or trustee shall be entitled to appear in person before a Registrar on any application or proceeding.”

Rule 5A is in force from the date of the Order in Council approving the same. It will be published forthwith in the *Canada Gazette*.

W. J. REILLEY,

Superintendent of Bankruptcy.

6th November 1934.

INDUSTRY CANADA/INDUSTRIE CANADA



115823

QUEEN HG 3769 .C3 C3 1934
Canada. Office of the Superi
Annual report (Superintenden