

Hon. Mr. GOVIN: I am referring to privileges. I say we have always taken the position that it was up to a party to verify the privileges. Some of them, such as mechanics liens and so on, can be verified at the registry office, and others may be what I call privileges concerning the Crown, whatever those privileges may be.

Hon. Mr. LEGER: You have not covered mechanics liens?

Mr. REILLEY: This does not interfere with secured creditors. Whatever rights the secured creditors have by privilege or otherwise they are still protected in the act.

Hon. Mr. GOVIN: But are they protected under section 126? As I read that section it gives the order of rank as the paragraphs are lettered. For instance, paragraph (a) covers the funeral expenses. If there is nothing else the undertaker at least would be paid.

Hon. Mr. HUGESSEN: I think the answer to section 126 is that it does not dispose of the rights of a privileged creditor to realize his securities. It deals only with the assets which the trustee has realized.

Mr. REILLEY: That is right. This does not presume to interfere with secured creditors and their rights or otherwise set up in the act.

The ACTING CHAIRMAN: Mr. Reilley, the words "contractual secured creditors" are used there. Might that not cut out the creditors secured by statute? Section 126 says "subject to the rights of contractual secured creditors—"

Hon. Mr. LEGER: I think the word "contractual" would have to be struck out.

Hon. Mr. HUGESSEN: Yes.

Mr. REILLEY: When I speak of secured creditors I am thinking of mechanic liens which have been duly registered and that sort of thing. That was put in so that all Crown claims would be in this category.

Hon. Mr. HUGESSEN: Does that word "contractual" affect it Mr. Reilley? I would not think a man secured by a builder's lien would have a contractual security.

Hon. Mr. LEGER: No, that is by virtue of the statute.

Mr. REILLEY: Well, gentlemen, it is hard to think of all these things when drafting a bill.

Hon. Mr. McGUIRE: To what subsection are you referring?

Mr. REILLEY: We are referring to 126 (1). If there is anything that needs correction I should be the first to want it revealed. I had in mind contractual creditors as compared with statutory creditors, particularly the rights of the Crown which I wanted to have set up to get over this situation shown in my memorandum.

Hon. Mr. LEGER: I think Mr. McEntyre's point is that it is not so much a question of the amount of money that the Crown is to lose, but it is simply that the new statute would be conflicting.

Mr. McENTYRE: That is correct.

Mr. REILLEY: As I have said before, I am quite in agreement with Mr. McEntyre that the Crown should get all the money that is coming to it.

Hon. Mr. LEGER: But that is not his point. He is not objecting because the Crown stands to lose money but because the two statutes are in direct conflict. I think that is the point he is making.

Mr. McENTYRE: That is correct.