

in cases of that kind? Would you limit the number of years with regard to taxes and these liens?—A. I have very decided views on this point. There have been cases which have come up in my practice in which it has been almost pathetic to see the assets eaten up by Government departments and municipal taxes, and so on.

Mr. FRASER: It is charges such as these which eat up all the assets and then the creditors get what is left. Will you give us your views as to what you think about that?

The WITNESS: Well, here is the situation: you have the Federal trustees tax and the sales tax and the Provincial Workmen's Compensation Board, and the Corporation Tax, rental claims and so on, and municipal taxes—you have the income, and business tax, and then you have got rent, wages, costs, and first execution of creditors, then the disbursements, and then the creditors get what is left.

It has been said that it would be an infringement of the rights of the provinces in regard to limiting the amount of arrears that they could collect for provincial and municipal purposes, but I think this would make a good test in the Supreme Court, to say to the provinces and others, Well you will have to collect your tax or just get one year and I think that is all you are entitled to.

*By Mr. Jacobs:*

Q. Well, many of these cases have gone to the Supreme Court of Canada and to the Privy Council, the highest court of the Empire, and the provinces have all been declared to be correct in their view.—A. I don't think that point has ever been taken up, Mr. Jacobs.

Q. We have special legislation, 1923 I think it was, declaring that, under our former Act, what were considered priority claims, etc., shall be considered so under the Bankruptcy Act, so that we have more preferred claims under the Bankruptcy Act than you had in Ontario?—A. believe you have, sir.

Mr. ELLIOTT: Do you mean one year prior to bankruptcy proceedings?

The WITNESS: One year's arrears.

*By Mr. Jacobs:*

Q. That is, arrears prior to proceedings? Some of these cases last two or three years. You would not suggest that no taxes be collected during that time?—A. Ordinary arrears in taxes collectable then.

Q. On the realizable assets.—A. Well it would be on the realization, of course, you can't avoid that. But once the trustee steps into the picture it is an alienation which prevents the taxes running again. But I cannot see why there is not sufficient authority in the Dominion Parliament to add to section 121 which says that, no matter who he may be, as a matter of distribution of insolvent assets you shall only be entitled to give so much, so much, and so much—as the case may be.

Mr. VARCOE: That is one of the amendments I think, Mr. Chairman. I think it is one of the features of the Act.

The CHAIRMAN: If there are no other questions, I will ask Mr. Delisle to come to the stand.

The WITNESS: Might I say, gentlemen, before I retire—I don't want to take up too much of your time—but I might say I have read the Bill and I may say frankly that I do not very much agree with it for the reason that you are all looking from the outside in, while I see this thing from the inside out. I find that there are so many complaints due to inconsistencies in the Act that in my opinion if you want to improve it, you have got to get someone who