

## DEBTS DUE TO THE CROWN BILL

## REPORT OF COMMITTEE

Hon. JAMES MURDOCK: On Tuesday, July 30, Bill 99, an Act to amend An Act respecting debts due to the Crown, was before the Senate, and a special committee consisting of the two leaders and Hon. Senators Buchanan, Calder, Coté, Haig, King, Marcotte, Murdock and Raymond were appointed to consider the Bill. The committee met this morning in pursuance of the order of reference, and I have the honour to present the following report:

The special committee to whom was referred the Bill 99 from the House of Commons, intituled "An Act to amend An Act respecting debts due to the Crown," have in obedience to the order of reference of 30th July, 1940, examined the said Bill and now beg leave to report the same with the following amendments:

1. Page 1, line 23.

Add to the end of the proposed section two the following:

Provided that the Minister of Finance may not so retain in any one month out of such sum or sums so due or payable by His Majesty in such right an amount greater than that which is seizable per month by the law of the province where the concerned officer, servant or employee of His Majesty in such right resides.

2. Add to the Bill at the end thereof, as subsection two of the proposed section two, the following:

(2) This section shall come into force upon proclamation of the Governor in Council.

3. Add to the Bill as clause three the following:

3. The said Act is further amended by adding thereto as section three the following:

3. (1) In any case where any officer, servant or employee of His Majesty in the right of Canada is indebted to any province, municipality or person in any specific sum of money on a judgment recovered for or on account of

(a) any income tax, special tax or wage tax (including interest and penalties) or

(b) any other manner of debt not sounding in damages, whether such debt be or be not of the genus of a debt for taxes,

the like recourse by the judgment creditor against third parties by way of garnishment of judgment debts, as applies against garnishees, generally, in and by the law of the province in which the judgment has been recovered shall be available to such judgment creditor against the Minister of Finance as a third party garnishee, but subject to the subsequent provisions of this section.

(2) The Minister of Finance shall not be subject or required to answer in or to attend at any garnishment proceedings; he shall be liable as a third party garnishee in his representative capacity only and he shall be subject in matters to which this Act extends to orders and directions, specific or general, of the Governor in Council.

(3) The judgment creditor shall produce to the Minister of Finance a certificate of the

judgment, the garnishee order and an affidavit made by some person having knowledge of the facts stating the amount due on the judgment and for what it was recovered and establishing the identity of the judgment debtor as an officer, servant or employee of His Majesty in the right of Canada.

(4) The Governor in Council may authorize the Minister of Finance to retain by way of deduction out of any sum or sums of money which, from time to time, may be due or payable by His Majesty in the right of Canada to any officer, servant or employee of His Majesty in such right (such deduction to be by instalments or otherwise as that Minister may, in the interest of the efficiency of the public service, determine) the amount of any judgment debt due or payable in any garnishment proceedings instituted under the authority of, and in compliance with, this Act, and to pay out such sum or sums of money so deducted to the provinces, municipalities and persons who are, pursuant to their respective garnishee orders and to this Act, entitled to be paid it or them.

All of which is respectfully submitted.

Hon. Mr. DANDURAND: Honourable senators, I would add simply that this Bill, which was sent to a special committee, has been returned virtually in its original form, with the few amendments as read. These broaden the principle of the Bill by making it possible for creditors to garnishee the salaries of Dominion civil servants. This is a matter to which the committee gave considerable attention. I have no mandate to speak for the Government, but I shall gladly join in sending the committee's report over for consideration by the other House.

The amendments were concurred in.

## THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill, as amended.

The motion was agreed to, and the Bill as amended was read the third time, and passed.

## WAR MEASURES ACT

## ORDERS IN COUNCIL TABLED

Hon. Mr. DANDURAND: Honourable senators, I desire to lay on the Table two copies in French and two in English of Orders in Council passed under the War Measures Act from May 10 to July 20, 1940. These include Orders in Council passed under the statute subsequently to those which I tabled at the beginning of this session. I am informed that the printing of volume 2 of proclamations and Orders in Council passed under the War Measures Act will be completed to-day, or to-morrow at the latest, and that distribution to honourable members will be made immediately thereafter.