

Hon. Mr. KINLEY: There used to be.

Mr. REILLEY: No. The court can discharge a debtor who has not paid anything.

Hon. Mr. MORAUD: You don't make it easy for the debtor if he has to apply within six months, for the creditors will not be very keen on his getting a discharge. But a few years later the creditors—

Mr. REILLEY: Have cooled off.

Hon. Mr. MORAUD: —and then it is easier to get a discharge. If you force a debtor to apply for discharge while the creditors are still sore, there is not a chance that he will get it.

Mr. REILLEY: It is not forced on him.

Hon. Mr. LEGER: By section 146 the fact that the debtor has assigned or become bankrupt is taken as notice to the creditors that he will within six months apply for his discharge. Then there is a duty cast upon the trustee to bring the matter up before the court, unless the debtor has waived that himself.

Hon. Mr. MORAUD: It is not the obligation but the privilege of the debtor.

Hon. Mr. LEGER: Yes. I read that with a great deal of interest. The principle is very good.

Hon. Mr. HAIG: Is six months too short?

Mr. REILLEY: I do not think so. In the ordinary case six months gives the trustee a reasonable opportunity to know where he is going to finish up or how the estate is going to end up. At the same time, it is not so long that the creditors have lost interest in the matter. That was one of my reasons for this. I wanted the application for discharge to come up before the creditors had lost interest, because I know lots of discharges are going through today, though my records show that the debtors had committed fraud, just because no creditors have showed up to contest the applications.

Hon. Mr. EULER: Do creditors ever lose interest in what is going on with respect to their debtors?

Hon. Mr. COPP: Take this case, Mr. Reilley. The debtor assigned, went through the bankruptcy court, his property was all sold at public auction, the trustee carried on and paid out dividends on the assets so realized, but the debtor never got his discharge. That bankruptcy, we will say, happened fifteen years ago. Now, assuming that the debtor gets on his feet again, makes some money and accumulates an estate, can the creditors come in and demand additional dividends or does the statute of limitations apply?

Mr. REILLEY: The creditors can also come in again and repossess anything that the debtor has now got. But here is something that I consider almost ludicrous in the Act today. A case recently came before me in which a second bankruptcy occurred. The bankrupt had gone into business again and failed. It is not at all uncommon for a man to go into bankruptcy two or three times. But as the Act now stands, the creditors in the first bankruptcy are entitled to take all the assets now found before the creditors in the second bankruptcy get a cent.

Hon. Mr. COPP: Irrespective of the statute of limitations?

Mr. REILLEY: In case he never had a discharge.

Hon. Mr. COPP: I had such a case come before me and I was very much interested in what might happen.

The ACTING CHAIRMAN: That should be rectified even though there was no discharge.

Mr. REILLEY: Yes. I have a provision here for bringing it into line with the English Act dealing with a second bankruptcy, so all creditors come into the