

Hon. Mr. McGUIRE: You refer to the Income War Tax Act as a whole. That would make the trustee a trustee under that act as well as under the Bankruptcy Act.

Mr. McENTYRE: The thought there was that the debtor is under certain obligations—to file returns and to furnish information—in addition to the obligation to pay his tax when assessed. Those are the same obligations that all taxpayers are under. As the trustee takes over the property of the debtor he represents the debtor, and therefore it seems correct that part of his duties should be to fulfil the obligations of the debtor, both as to completing the returns and filing them, and as to paying the tax in accordance with whatever the proceeds of the estate realize.

The ACTING CHAIRMAN: Suppose the debtor is four years in arrears, would the trustee be under obligation to make returns for the four years?

Mr. McENTYRE: Yes.

The ACTING CHAIRMAN: It might be impossible to do so.

Mr. McENTYRE: Well, the trustee is naturally a responsible person who is licensed and so on, and we would expect him to do the best he could.

Hon. Mr. GERSHAW: Would this not hold up the work of the trustee almost indefinitely? In some cases the income tax is not assessed for four or five years.

Mr. McENTYRE: I imagine it would cause delay.

Hon. Mr. McGUIRE: According to your proposed wording a trustee under the Bankruptcy Act would also be a trustee under the Income War Tax Act. Could you cover your point by naming a couple of sections of the Income War Tax Act specifically instead of referring to the whole Act? If a trustee has to read through the whole Act he will have difficulty in knowing just what his duties are. The whole thing would be simplified very much if he could refer to a couple of specific sections.

Mr. McENTYRE: Yes

The ACTING CHAIRMAN: Is not section 37 the only section of the Income War Tax Act imposing a duty upon a trustee?

Mr. McENTYRE: No, sir; there are other sections.

Mr. REILLEY: Sections 50 and 51.

Mr. McENTYRE: Section 50 says:—

Every person who is required by section thirty-seven of this Act to make a return of income shall pay any tax and interest and penalties assessed and levied with respect to such income before making any distribution of the property, business or estate which he is administering, managing, winding-up or otherwise controlling or dealing with.

Section 51:—(1) Every trustee in bankruptcy, assignee, administrator, executor and other like person, before distributing any assets under his control shall obtain a certificate from the Minister certifying that no unpaid assessment of income tax, interest and penalties properly chargeable against the person, property, business or estate, as the case may be, remains outstanding.

(2) Distribution without such certificate shall render the trustee in bankruptcy, assignee, administrator, executor and other like person personally liable for the tax, interest and penalties.

Hon. Mr. HUGESSEN: May I ask Mr. Reilley a question on this subsection (13), Mr. Chairman?

The ACTING CHAIRMAN: Certainly.