unless you first find out whether those assets are subject to lien. I would have thought that was one of the first things to make clear. I would have thought that the trustee would have a right to try and make the creditor distinguish the goods he claims.

Mr. MARTELL: Surely the hon. member knows that the first thing to do is to take an inventory of the goods. Subsequently you find out what the liens are, but at the outset you take a full inventory of all the assets. When it is known what stands against them, that is submitted to your creditors.

Sir HENRY DRAYTON: Is that to be for an indefinite date? I suppose my hon. friend thinks it ought to be done some time. Before, it had to be claimed within ten days. Does he think that is too soon? But surely one of the first things for the trustee to do is to know what the goods of the insolvent really are. I would have thought that was absolutely elementary.

Mr. MARTELL: That is plain.

Sir HENRY DRAYTON: Surely then the law ought to stand and the man ought to say: These are my goods, and not the goods of the insolvent.

Mr. MARTELL: Your liens come in after the inventory is made.

Sir LOMER GOUIN: If there is a claim filed by the creditor it is accepted or refused. Simply because the creditor goes to the trustee and says: I hold security on such-and-such goods, that does not change the position. By the mere fact of the creditor filing his claim, the trustee knows what the claim is, and he is in a position to contest the same if so disposed. Because a claim is filed it does not necessarily have to be accepted. I do not see what difference it makes. Why force a creditor who has a lien to proceed to such identification under a penalty of losing his privilege unless he does it within ten days?

Sir HENRY DRAYTON: What length of time does the minister think should be set apart for the identification of these lien goods? Sooner or later it has to be done. How long a time does the minister want?

Sir LOMER GOUIN: As soon as the creditor claims, the trustee is informed. We are told by men who have had a very large practice in bankruptcy matters that this is of no use, that it is only a cause of trouble. It does not help in the liquidation, and that is why we have brought down the amendment.

The CHAIRMAN: Shall the section carry?

Sir HENRY DRAYTON: I do not think we did more than discuss the first section.

Sir LOMER GOUIN: Subsection 2 amends subsection 5 to enable the trustee to sell any goods the creditor fails to value. The creditor has to value his property if he is asked to do so. This is to supply an omission in the existing law which does not provide for the case where the creditor omits to value. If the creditor omits to value the trustee cannot sell. We provide to this effect, that whether he values or not the trustee will have the right to sell.

Subsection 3 amends subsection 7 of the act, which provides for substituting the amount realized by the sale of a security for the amount at which the creditor valued such a security, to make it clear that such substitution extends to sales by the trustee under subsection 5 of the act as well as to sales by the creditor. This is necessary by the amendment to subsection 5.

Sir HENRY DRAYTON: My hon. friend this afternoon or this evening dealt with the question of hypothetic and mortgage properties in Quebec. I suppose he there was dealing with claims similar to those dealt with by this section, and we had machinery provided for in the case of Quebec. Is there any difference made as a result of these amendments in the ultimate solution of these questions as between Quebec and the other provinces?

Sir LOMER GOUIN: No.

Sir HENRY DRAYTON: So far as the results are concerned similar justice is done all over the country.

Sir LOMER GOUIN: Yes.

Sir HENRY DRAYTON: I just wanted to make sure that that would be the effect of this. I confess I cannot make it out.

Sir LOMER GOUIN: There is no difference. Subsection 4 amends subsection 8 of the act to enable a creditor to amend his valuation at any time before sale instead of within two months. If the property has changed in value there is no reason why the creditor should not be permitted to change his valuation. He is limited to two months under the present law, but we say that he should have the right to change his valuation whenever he finds it proper to do so. There will be no loss to the creditors by his doing that.