

*PRIORITIES UNDER THE CREDITOR'S RELIEF ACT.*

One effect of the Creditor's Relief Act (R.S.O. c. 81) is to complicate what was formerly a comparatively simple question, viz., the priorities of execution creditors. The main object of the Act is plainly to secure as far as possible, the payment of creditors *pari passu* and as between them, to eliminate the possibility of one execution creditor by any superior diligence, gaining any priority over another. But in the application of the Act difficulties arise, when the question as to the priorities of creditors is embarrassed by the intervention of the claims of specific incumbrancers. Such a difficulty arose in the recent case of *Union Bank of Canada v. Taylor*, 8 O.W.N. 72. That appears to have been an action to set aside a fraudulent conveyance in which judgment was given declaring the deed void and ordering a sale of the land and the application of the proceeds in payment of the claims of creditors and of the incumbrancers according to their respective priorities. The Master to whom the case was referred, found several classes of incumbrancers and execution creditors whom he classified as follows: A. a group of execution creditors; B. plaintiff's mortgage; C. a group of subsequent creditors; D. a second mortgage; E. a third mortgage; F. another group of execution creditors; G. a fourth mortgage; H. another group of subsequent creditors. The amount realized was apparently insufficient to satisfy all the claims and the Master settled the priorities of the various claimants in the order above-mentioned. An appeal was had to Boyd, C., and it was contended that the Master should have followed the directions of the Creditor's Relief Act, s. 33, sub-ss. 11, 12; but the appeal was dismissed and the Master's report affirmed.

The learned Chancellor is reported to have said, "The effect of the Act appears to be to pay a subsequent mortgagee in full by reducing the amount of a prior execution and this gives to a subsequent mortgagee a better status as against a prior execution charged on the lands than existed when the mortgage trans-