

Hon. Mr. ASELTINE: The trustee of a deceased person's estate cannot get a discharge until he gets a release from the income tax department, and I think the trustee in bankruptcy also should not be able to get a discharge until he has a release from the income tax department.

Hon. Mr. MCGUIRE: The debtor in one case has disappeared, but in the other case he continues.

The ACTING CHAIRMAN: The bankrupt is still liable to make his returns.

Hon. Mr. ASELTINE: But he has nothing to pay to the income tax department after he has made an assignment in bankruptcy.

The ACTING CHAIRMAN: We have covered the point thoroughly, I think. Are there any further questions?

Mr. REILLEY: I think this is a proper case for the two departments to get together and work out a scheme that will be satisfactory to both. I have tried to do that for many years.

Hon. Mr. COPP: Why have you not succeeded?

Mr. REILLEY: I could not get any cooperation from the Department of National Revenue. They just sat tight on this and would do nothing. I am satisfied that if they are given a strong impression from this committee or someone else that something different must be done, we can get together and work out a scheme that will be satisfactory to both of us.

Hon. Mr. MCGUIRE: The suggestion of Mr. McEntyre is to make the trustee in bankruptcy a trustee under the Income War Tax Act as well. I do not think that should be done. It seems to me it would be much more reasonable to have the trustee in bankruptcy made liable under one or two sections of the Income War Tax Act. If Mr. Reilley and Mr. McEntyre get together they can possibly work that out.

The ACTING CHAIRMAN: Are there any further questions? If not, we have concluded the evidence for to-day. We thank you for the clear statements you have made to us, Mr. McEntyre, and we will take your submissions into consideration. I think you can gather from the questions that have been asked and the comments made here that the feeling of the committee is that there is a clear conflict between the Income War Tax Act and the Bankruptcy Bill. The Income War Tax Act seeks to establish priority of claim in a bankrupt estate, whereas Mr. Reilley's Bankrupt Bill proposes to codify more or less the rights and priorities of claimants. It seems to me that it would be advisable for Mr. Reilley and someone from the Department of National Revenue to get together and see if they cannot clarify these questions, and make any further submissions they may care to make. Would that be agreeable to the committee?

Hon. MEMBERS: Agreed.

The Committee adjourned to the call of the Chair.