

bulk sale," be included as an additional paragraph to section 20. It is realized that a debtor who does this will probably have committed some other act of bankruptcy designated in the present bill, but such other act may be much more difficult to prove than the failure to comply with the provisions of the governing provincial Bulk Sales Act. Therefore, failure to comply with such legislation should be designated as an act of bankruptcy in the present bill.

Hon. Mr. ASELTINE: You are referring to the Bulk Sales Acts of the different provinces?

Mr. MACDONNELL: That is it, sir.

8. Persons Not Covered by the Act, Section 25.

It is proposed that section 25 be amended by substituting the word "twenty-five" for the word "twenty-four" in the first line. It is also suggested that section 25 be placed after section 26, in other words, that section 26 be re-numbered as section 25, and section 25 be re-numbered as section 26.

The purpose of the proposed amendment is to exclude from recourse to voluntary bankruptcy, the persons who are excluded from the application of the receiving order under section 25.

It is not considered just and equitable that persons against whom receiving orders cannot be filed, should be able to avail themselves of bankruptcy proceedings where it suits their purpose, regardless of whether it suits their creditors.

9. If no Licensed Trustee is Willing to Act, Section 26 (5).

It is recommended that the words "or where the trustee withdraws" be inserted after the word "act" in the second line of this subsection so that the subsection shall read as follows:

Where the official receiver is unable to find a licensed trustee who is willing to act or where the trustee withdraws, he shall, after giving the bankrupt seven days' notice of his intention, cancel the assignment.

This is to provide for the carrying out of the procedure suggested in Item 1 of this submission for allowing the trustee to withdraw up to the time of the first meeting of creditors because without such amendment as proposed, the official receiver in the case of a trustee withdrawing, might not be able to cancel the assignment.

10. Proposals, Section 27.

The Association approves of this section which brings back into bankruptcy practice, the right of a bankrupt person to make a proposal to his creditors without going into bankruptcy, and without thereby being designated a bankrupt. It is well known that, generally speaking, in a case where a proposal is made before bankruptcy, much more is realized by the creditors than would be the case if the debtor was declared a bankrupt. Almost always, the assets of a bankrupt estate depreciate a considerable amount due to the fact that it is a bankrupt estate, and even if the business of the bankrupt is carried on, it is very difficult to receive full value for the goods or services which are sold or furnished.

11. Protection of Trustee from Personal Liability in Certain Cases, Section 49.

It is suggested that in the sixth line of section 49, the word "unregistered" be deleted, and after the word "charge" in the same line, the following words be inserted:— "not registered or not protected against creditors under the law of the province".

The reason for this is that some provinces such as Ontario, permit liens on manufactured goods to continue valid without registration provided that the name and address of the vendor are marked thereon. With respect to property which is subject to a valid but unregistered lien, under the present