

Hon. Mr. HAYDEN: I am not taking up the position of the debtor, but he is subject to the second call of the creditors and during that time he cannot do anything else.

Mr. Justice URQUHART: That might be worked out in some way, but at the moment I am not ready to state specifically how it should be done.

The bill proposes another change on which I am not expressing any opinion. At present there are often two bankruptcies and sometimes three, and the debtor has not been discharged from any of them. Then he acquires property worth \$2,000 or \$3,000, the creditors become aware of it, and seize it. Under our law that is always the property of the first bankruptcy. I believe under the English law they allow subsequent bankruptcies to share *pari passu*. But in the recent case of *re Hord*—I do not know whether it is reported yet—I pointed out that under our present system the first bankruptcy is entitled to any after-acquired property, and that anyone who dealt with the bankrupt, who, so to speak, is financially dead, should do so at his own peril.

Are there any other questions, Mr. Chairman?

The CHAIRMAN: I think not. You have rendered an important service to this committee, Judge, and on their behalf I wish to convey to you their thanks for your attendance.

(For memorandum by Mr. Justice Urquhart, see Appendix A).

The CHAIRMAN: Mr. W. J. Reilley, K.C., Superintendent of the Bankruptcy Act Administration of the Department of the Secretary of State, is here to answer a question which was asked the other day as to the number of bankruptcies during the past year.

Mr. REILLEY: Mr. Chairman, in the Ottawa Journal of the 11th instant there appeared a report on the number of bankruptcies in Canada. The number is given as 60.

Hon. Mr. HAYDEN: When?

Mr. REILLEY: 1945. We can use that for what it is worth. My annual report for 1945 shows there were 264 failures, not including liquidations under the Winding Up Act, creditors arrangement compositions, bulk sales or similar proceedings. I just want to place that information before you, to correct the impression which may have been conveyed by the press report.

Hon. Mr. HAYDEN: Bulk sales are not necessarily indications of bankruptcy.

Mr. REILLEY: But in 99 cases out of 100 they are failures. There is the odd case where a man makes a bulk sale. I simply mention that to direct attention to the inaccuracy of this press report—60 failures against my reported 264 failures.

Hon. Mr. ASELTINE: Where did they get the information?

Mr. REILLEY: I do not know. They did not get it from me.

The CHAIRMAN: Gentlemen, we have in attendance Mr. Terence Sheard, Assistant General Manager of the National Trust Company, Toronto, representing the Dominion Mortgage and Investments Association, and Mr. R. B. F. Barr, of the Ontario Bar. I will call on Mr. Sheard.

Mr. SHEARD: Mr. Chairman and honourable senators of the committee, I appear on behalf of the Dominion Mortgage and Investments Association. I imagine that members of the committee know of this association. It is an association of loan, trust and life insurance companies to consider matters of mutual interest. When this bill was introduced the association formed a special committee to consider its provisions from the point of view of investors and trustees for investors. I am the chairman of that committee, and it is in that capacity that I am appearing before you today.