

Hon. Mr. LEGER: He would be financing with money belonging to the Crown, to a certain extent.

Mr. McENTYRE: I would say that would be the result.

Hon. Mr. LEGER: And the money would still belong to the Crown whether he financed with it or not.

Mr. McENTYRE: Very often he would never provide it at all; frequently to get his payroll he would have to go to the bank and borrow. Instead of borrowing the full amount of his payroll he would borrow only the net amount, so that the money due the National Revenue Department would never exist.

Hon. Mr. McGUIRE: In subsection (7A) you accept the costs of the assignee. Why do you not also accept the costs and expenses of the trustee in bankruptcy?

Mr. McENTYRE: I would interpret that section to include the costs of the trustee in bankruptcy. It reads in part:—

—except only the judicial costs, fees and lawful expenses of an assignee or other public officer charged with the administration or distribution of such assets.

I think that would be wide enough to include the trustee in bankruptcy.

Hon. Mr. McGUIRE: The trustee in bankruptcy would be a public officer.

Mr. McENTYRE: That is correct, sir. I am sorry to have interrupted you, Mr. Reilley.

Mr. REILLEY: Now is the time to do it.

Hon. Mr. McGUIRE: Mr. Reilley, what happens in a case where the trustee in looking over the assets for priority finds perhaps that there is half enough to pay the priorities and nothing to pay him? What is his attitude then?

Mr. REILLEY: Well, to say the least, it is a very unhappy situation.

Hon. Mr. McGUIRE: Does he proceed to sell what he can under the priorities and get nothing himself?

Mr. REILLEY: He gets nothing himself.

Hon. Mr. McGUIRE: Or does he quit?

Mr. REILLEY: There has been the trouble I have in the bankruptcy administration. When these cases arise the trustee says, "There is nothing in it for me so I am going to resign." What are we going to do then? This is only one; we have twenty-one others. This is only Ontario; I do not know how many others there are in the other provinces.

Hon. Mr. LEGER: That is why I asked the question; I felt that you had not covered them all.

Mr. REILLEY: I listed only those from Ontario. My idea was that there is no large amount involved in the question of deductions from employees when bankruptcy occurs. In any case there is no particular reason why it should be given preference over all these other matters: corporation tax, hydro electric, stock transfers and other income tax. Instead, it is simple to set up a basis on which distribution can be made by a trustee. In my opinion the only way it can be done is to set out the distribution scheme and let all comply with it. If there is some certain reason why the wage deductions should receive a priority over others, I do not know what it should be. There is nothing particularly different from the other income tax which takes its prerogative right. It must be remembered that debts owing to the Crown always have a prerogative right which takes precedence over unsecured creditors. The other claims which are given precedence are: costs of administration, municipal taxes, rents, workmen's compensation—surely workmen's compensation is entitled to an equal priority with deductions for income tax. Then there are claims of the Crown generally. If it is suggested that they should be given any priority, I