

*Adjournment Debate*

whether or not the Bankruptcy Act will be amended as was agreed to by all three parties in 1984. The drafting should not even be a problem because the Member for Algoma (Mr. Foster) has capsulized that agreement and reissued it in the House as a private Member's motion. Therefore, the drafting exists and it carries the spirit and, in fact, most of the words of that original agreement back in June of 1984.

The Minister has failed to extend to banks the moratorium which he has declared on land seizures for Farm Credit Corporation. The current moratorium on Farm Credit Corporation only applies to the seizure of land. For the moment, land cannot be seized by the Farm Credit Corporation, but many other secondary lenders are seizing property from these farmers in the form of machinery, livestock and grain. Some of the provinces, such as my own Province of Saskatchewan, have a moratorium against seizures, but that is only effective against land. While the land cannot be seized, the interest keeps mounting. This winter there is a great deal of activity on the part of lending institutions seizing grain, livestock and machinery from those types of farms. Therefore, when the moratorium does end, these farmers will have nothing with which to farm.

These seizures are frequently presided over by the RCMP. In some instances they may be called upon to maintain order. In one instance that I had drawn to my attention, and which I drew to the attention of the Solicitor General (Mr. Beatty), the so-called receiver did not even have a court order. He had no legal right to go on the property. He had succeeded in getting the RCMP to accompany him onto the property, ostensibly to take goods off that property in the form of grain, livestock or machinery even though he had no legal right to do so. The farmer seeing his property threatened in this way has, on a number of occasions, attempted to phone the RCMP for protection while they were in his yard helping to perpetrate what was in that instance a crime since there was no court order giving them the right to be there. This was the matter I was raising with the Minister and the Solicitor General.

● (1815)

The problem is quite clear across the country. Farmers thought they had a clear answer in December. They would like a clear answer now. When will the Government act? What is it proposing to do? How soon will the Government act to stop these bankruptcies and give farmers the same kind of opportunity in a bankruptcy as the banks have?

**Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs):** Mr. Speaker, in response to the concerns expressed by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) as they pertain to the financial difficulties experienced by the farm community today, I am pleased to be able to take the time given on behalf of the Minister of Consumer and Corporate Affairs (Mr. Côté) to deal with the issue of revisions to the Bankruptcy Act.

Let me assure the House that the Government is well aware of the acute problems facing farmers and of the urgency of the situation.

During the highly inflationary period of the late 1970s and early 1980s farmers borrowed heavily to finance investment in farmland and equipment. Falling prices for farm products, coupled with rising farm input costs and continuing very high interest rates, have put many farmers in a position where they are having great difficulty in carrying the heavy debt loads. The Government fully realizes that farmers need some protection in order to weather the continuing recession in the farm sector and is taking steps to provide it.

In the first place I would remind Members of the House that the Minister of Consumer and Corporate Affairs appointed a special advisory committee last March to examine possible amendments to the Bankruptcy Act. It is a high priority on the agenda of legislation that is imminent.

The advisory committee has examined a wide range of bankruptcy issues, including the question of farm insolvencies and how to deal with them fairly. The committee has considered several possible options which would help shield farmers from bankruptcy. Some of these options would allow arrangements to be worked out between farmers and their creditors which would enable farmers to keep their farms, or would provide for examination of individual cases and for mediation by panels of experts including, what has been suggested by all Parties in this House, other farmers from the debtor-farmer's community.

These are only two of the possible options that the advisory committee has looked at to date. I might point out to the House that the committee has also looked at the procedures put forward in May, 1984, by the Minister of Consumer and Corporate Affairs in the previous Government which are, I presume, what the Hon. Member was referring to in his question to the Minister of Agriculture (Mr. Wise) on January 13.

I can tell Members that the advisory committee's report will be released within the next two weeks and that the Government will begin broad consultations immediately thereafter, including immediate discussions with farm representatives as to the recommendations of this report.

● (1820)

The advisory committee process I have just outlined will result in longer term solutions to a number of problems with the Bankruptcy Act, including the problem of farm bankruptcies. Not to be negative but to be constructive, I again assure the Hon. Member that the report will be tabled, action will be taken and the concerns of farmers and of every Member of the House will be dealt with in due course.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** The motion to adjourn the House is now deemed to have been adopted. Therefore this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.21 p.m.