

*Bankruptcy Act*

Mr. HACKETT: I do not know of any clause in the bill which would permit a bankrupt whose locality was Gaspé to make an assignment in Montreal in the absence of unanimous consent.

Mr. BRASSET: We do not want it to be by unanimous consent. We can do anything by unanimous consent. We want the creditor to be forced to take proceedings in the district where the debtor resides. That was the object of my bill. At present a debtor may reside in Gaspé and the creditor take proceedings in Montreal or Hull, or any other place in the province of Quebec. I think it is only fair that the creditor should be forced to take proceedings in the district where the debtor resides because, otherwise, in ninety-nine cases out of a hundred the creditor will take proceedings in Montreal or the city of Quebec, and a debtor residing in Gaspé, for instance, will have to come to Montreal or Quebec. That is an injustice which we want to avoid.

Mr. HACKETT: What was the name of the case in which that judgment was given?

Mr. BRASSET: I do not remember the name of the case, but there was a judgment to that effect. Perhaps the hon. member for Richelieu may remember the name.

Mr. CARDIN: I do not remember the name of the case, but it was that of a man residing in Roberval, and he was forced to go to Montreal.

Mr. HACKETT: Is it the Lauzon case?

Mr. CARDIN: The case came before the court of appeal. Both the supreme court and the court of appeal decided that "division" and "district" in the bankruptcy law meant the whole province and that a man from the district of Gaspé, for instance, could be brought to Hull and have his assets dealt with there.

Mr. HACKETT: I think it would be well to see just exactly what this judgment does say.

Mr. CARDIN: I am surprised that it escaped the attention of my hon. friend.

Mr. HACKETT: I was waiting for the hon. member for Richelieu to give me the name of the case.

Mr. DUPUIS: Was not that case discussed in the committee?

Mr. HACKETT: There is another point which was made by the hon. member for Richelieu with regard to the farmers. The committee heard many witnesses. One of them

[Mr. Dupuis.]

was Mr. Lalonde, the president of L'Union Catholique des Cultivateurs de la province de Quebec. Another was the Minister of Agriculture for the province of Quebec. They were supported by many other witnesses and there was absolute unanimity in their request that the law do no longer apply to farmers. There again there was a misapprehension. The law even now does not apply to farmers, in the sense that nobody can put a farmer into bankruptcy. That has always been the law. However, it was competent to any insolvent farmer whose liabilities under the act exceeded five hundred dollars to go into bankruptcy. The Minister of Agriculture for the province, as well as Mr. Lalonde and a host of other witnesses testified that the fact that many farmers had gone into bankruptcy had been prejudicial to the credit of the farmers of the province of Quebec. As a result of this unanimous testimony we are amending section nine of the act, and if this amendment becomes law it will no longer be competent for a farmer in the province of Quebec to become a bankrupt. The farming class in the province of Quebec now enjoy the right of going into bankruptcy. At the present time they cannot be put into bankruptcy, but they have the right to go into bankruptcy and they have explained that that right has been abused and used to their disadvantage. For those reasons they wished to yield it up. The bill as it stands at present meets their requests.

Mr. GIROUARD: Do I understand the chairman of the special committee to say that under the amendment brought in by this bill a creditor may force a farmer into bankruptcy?

Mr. HACKETT: No; he never could.

Mr. MERCIER (Laurier-Outremont): What is the amendment?

Mr. GUTHRIE: To exclude the farmers of Quebec from the operation of the act.

Mr. HACKETT: I refer the hon. member to section 6 of the bill.

Mr. GIROUARD: So that no creditor can force a farmer into bankruptcy, and a farmer cannot go into bankruptcy himself.

Mr. HACKETT: No creditor could ever force a farmer into bankruptcy in any part of Canada. If the hon. member would refer to section 7 of the Bankruptcy Act he would find the following:

The provisions of this part shall not apply to wage earners or to persons engaged solely in farming or the tillage of the soil.