

themselves seem to be adequately protected as long as they recover enough to cover their own costs. I suggest that the situation as it exists today is very negative. I believe a specific effort to make receivers act in a commercially responsible way will help to improve that situation.

Let me deal with the basic issue concerning farm bankruptcies. I would like to discuss a draft amendment that is presently being considered which deals with Clause 120 of the current Bill. That clause allows the creation of a court formulated arrangement in circumstances where there is seen to be some social need or effect if a bankruptcy should occur. Presently the Bill limits this to those business operations which have assets in excess of \$1 million. My colleague from Cambridge pointed out that that figure is perhaps not representative of the value that should be applied today. While I do not want to go into detail in that respect, I would like to talk about the effect that this amendment might have if it were included in the Bill in its final form.

The effect of the amendment would be to add farmers and fishers, no matter what their debt level, to those businesses with assets of over \$1 million. It also takes one further significant step which I suggest represents the sum total of approximately seven months of ongoing meetings that were held prior to the introduction of this amendment and consideration of this Bill. Essentially, it provides for a court-appointed group that would reflect the interests of the debtor and the lender as well as a third party to act as an adjudicator. It would allow this group to consider the bankruptcy situation of a debtor prior to his going before a bankruptcy court judge who would have the legal authority to impose an arrangement. I believe such a procedure would avoid many of the difficulties that might occur if a farm bankruptcy situation was placed before a judge who may have no experience in farming or fishing but who would be expected to treat a farmer or fisher in a fair and reasonable manner.

In closing, I suggest that this proposal is necessary and valuable as an option to those in agriculture and fishing who are experiencing the most severe distress. While it will not stop all bankruptcies since there will still be farmers and fishers who face a real bankruptcy situation, it will provide an additional option for the consideration of those who are put into an untenable economic position, through no fault of their own.

I believe this amendment deserves considerable support. There may be modifications which would allow it to be more effective. We look forward to being able to consider it with the expert witnesses who appear before the committee.

Mr. Deputy Speaker: Before recognizing the next Hon. Member, I possibly should have intervened earlier in the course of the Hon. Member's speech, but let it be known that the Chair should remind Hon. Members that second reading stage is not the time to deal with specific amendments as such, whether they are real or proposed. Second reading stage is reserved for the discussion of the principle of the Bill. Specific amendments should be dealt with properly at the committee stage. I say this for the record.

Insolvency Act

Mr. Gurbin: Mr. Speaker, I respect your remarks fully. In fact, without reading the direct words, I was trying to deal with the principles that were involved.

Mr. Deputy Speaker: The Chair appreciates the Hon. Member's comments.

Mr. Hovdebo: Mr. Speaker, I have a question for the Hon. Member. Does his Party consider that the idea of a board, the vehicle suggested in Clause 653, is the proper type of vehicle that could be of some value to farmers who are facing bankruptcy? Is that the kind of thing that should be in this Bill?

● (1700)

Mr. Gurbin: Mr. Speaker, absolutely. I am sorry if I did it in so vague a way, but that was exactly the point I was trying to make and it was a potential defect in Bill C-653 as it was originally presented.

Mr. Deputy Speaker: Are there further questions or comments? The House will now proceed to debate.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, we understand there has been a House agreement to deal with some haste, with Bill C-17, the Bill before us now, which deals with bankruptcy and insolvency. We agree it should be completed today. There are a few words I want to say concerning the background of this Bill and its application to farmers specifically.

This Bill before the House is a redrafting and reintroduction of Bill C-12 that was introduced just over four years ago in April, 1980. It was not examined very much at committee stage and it was hung up in the House. Because of the delay and because of the increasing number of bankruptcies that farmers faced, there was some pressure to bring forward special measures to deal with farm bankruptcies. As a result, Private Member's Bill C-653 was introduced into this House about a year and a quarter ago. There was unanimous agreement to deal with it in committee. It was transferred to the Standing Committee on Agriculture and a subcommittee was subsequently set up to deal with it.

Some of the incidents which led up to the House agreement at that stage included year upon year increases in bankruptcies. From 1980 to 1981 bankruptcies increased 50 per cent to 80 per cent in each of the provinces. The number of bankruptcies continued to increase at an even more rapid rate the following year and the numbers continue to accelerate. At present we are looking so far, in 1984, at increases over the previous year as follows: in the Province of Manitoba, 75 per cent; in the Province of Saskatchewan, 100 per cent; in Alberta, 165 per cent; in British Columbia, 159 per cent. You can see the increases in bankruptcies continuing right across the nation and the need for specific bankruptcy legislation that can be of assistance to farmers is vital.

It was an action by the Ontario arm of the Farm Survival Association which helped trigger the response in the House of Commons when we gave all-Party agreement to discuss Bill C-653. Allan Wilford, President of that organization, was