

exclusive jurisdiction conferred upon this parliament to deal with bankruptcy and insolvency, thereupon the jurisdiction of the provinces would be ousted. Parliament has exercised its jurisdiction and has enacted a bankruptcy act. It therefore follows that the matter dealt with by the provincial legislatures is no longer within the legislative competence of the provincial legislatures and that the bankruptcy and insolvency act which we placed upon our statute books is the statute to which we must look in dealing with the problem of bankruptcy.

Bankruptcy proceedings have been regarded with some suspicion not only by the farmers themselves but also by those with whom the farmers deal, and the question of whether or not the general provisions of the Bankruptcy Act should apply is, of course, an open one. We do not propose, therefore, that the ordinary provisions of the Bankruptcy Act should apply but that for the present—hoping that it will not be for any long period—there should be appointed a special receiver rather than an official receiver such as we now have, whose duty it will be to assist in arriving at a composition, adjustment or settlement of the outstanding difficulties that confront the farmer. To do that we must keep in mind two things, first, that contracts that have arisen under a mortgage are matters within the jurisdiction, for contractual purposes, of the provinces under property and civil rights; secondly, that the exclusive jurisdiction of this parliament to deal with interest is conceded by all. We therefore propose that an earnest effort should be made to bring about a composition, arrangement or agreement between the creditors of the farmer and the farmer debtor. The result of that would be, having regard to his present assets, his capability to earn, the productivity of his farm and its location, that he could reasonably contemplate the possibility of commencing again if he knew how his debts were to be paid and the period of time over which he would make the payments.

The object, of course, is to keep the farmer on the farm; if possible to keep him cultivating the land upon which he has lived. In making the arrangement we contemplate, through the assistance of those who have loaned him money, it follows of course that we can go only a certain distance in determining how his security can be dealt with. Therefore in dealing with the problem of bankruptcy which thus arises for settlement, we propose that the secured creditor shall value his security and, if he determines that his security is worth eighty per cent of its face

value, that he shall not assert a claim to recover a sum representing the difference between the value he has placed upon his security and the face value of such security. That we believe we have legislative power to do.

There then arises the case of the other creditors and when the other creditors have filed their claims—all of which is to be done in a simple and, shall I say, expeditious, informal and inexpensive way—then the settlement is open for final determination. If it is approved by the creditors and by the representative of the creditors in the person of the one who takes the place of the official receiver or assignee, it is confirmed by the court and the farmer begins once more to undertake to build his home, his fortune and his future. If, however, a deed of composition or adjustment appears impossible; if the parties are unable to determine whether or not the farmer may be able to meet his present obligations by payment of sixty or seventy cents on the dollar, or whatever the figure may be, we then propose to set up in each province a court of revision consisting of a judge of the court having jurisdiction over bankruptcy—in the western provinces a judge of the supreme court, in the province of Quebec a judge of the superior court and a judge of the supreme court in Ontario—and he, with the representative of the creditors and of the debtor—that is, one who always represents the debtors as well as the creditors—will consider the whole situation of each specific case, the conditions, the circumstances, the capability of the man to pay having regard to the location of his farm, the size of his family, their aptitude for farming operations, their general attitude towards cultivation of the soil and so on. Having considered all these problems the board of review make a proposal and, after due consideration, that proposal becomes the composition arrangement under which the farmer begins again the struggle for the future.

That, we believe—simple, inexpensive and informal—will bring about, we will say, renewed hope in the minds of those who, for reasons that need not be discussed now, have looked forward to the future with almost hopeless concern. But we have also jurisdiction to deal with another phase of it, as I mentioned a moment ago, namely questions arising out of interest. And so, as the result of experience in the past, we propose that where a mortgage is not repayable, that is where a mortgagor is not permitted to pay off by the terms of the mortgage, nevertheless he may be able by tendering the amount of the principal, together with interest to the