

Government Orders

enough follow-up after agreements have been reached. It went on and on and on.

The reason I speak this afternoon is that the agriculture committee in 1988 put forward a number of recommendations to deal with the operation of the Farm Debt Review Boards. One recommendation really stands out and that is recommendation No. 6 under section 3 of the farm debt review board report which reads:

To correct these difficulties the committee recommends that the federal government institute the following: a procedure whereby the Farm Debt Review Board, in each case where no agreement is reached, shall make available to the farmer a report outlining their recommendation.

The reason I proposed that to the committee—and it was accepted by the committee—is that I foresaw new bankruptcy legislation in the future modelled after that in the United States which under chapter 11 in the United States provided for companies, proprietorships or in this case farmers provisions for reorganization of debt.

Although when this legislation first came out it was reported to be non-applicable to farmers, it is my understanding that legal officers of the House who were advising the committee said clearly that it applied equally to farmers, small businesses and other individuals seeking reorganization.

As I see the legislation, if this proposal in the agriculture committee of the House of Commons were adopted and the government were to put in place a procedure where Farm Debt Review Boards issued a report to each farmer where no agreement was reached under the farm debt review board procedure, the farmer would be free to apply to the Superintendent of Bankruptcy for a reorganization. He would go before the court and be able to ask for a reorganization. He would be armed with the report of the farm debt review board committee. Where that report suggested that if all the creditors had been willing to take a write down of 25 per cent or whatever, the creditors would get more that way than they would by simply foreclosing and selling off the assets.

• (1430)

As I understand the bill that is before us, there would be a vote of the creditors. Where two-thirds of the creditors agreed with that recommendation, the restructuring or reorganization would take place, whatever that restructuring was, whether it was to extend longer

periods of time or rescheduling of debt or reorganization. In any event, that is the kind of thing that takes place under the existing Companies' Creditors Arrangement Act. Only this act would apply to all creditors, including farmers.

I think the legislation can be very beneficial and can work in harmony with the existing farm debt review boards, provided the government requires them to issue the report which I suggested this afternoon. I will be very interested in what happens in the committee hearings. Perhaps this proposal which I have outlined can be considered by the committee just to see whether there has to be some technical arrangements made in the way this new Bankruptcy Act will work, especially as it applies to company, corporate and individual reorganizations.

In the last two weeks I have attended two farm rallies, one in Regina last Thursday, where over 7,500 farmers attended, rallying to protest this government's cutback of support programs in the 1990 year, rallying to protest that a government would be so insensitive, almost insane we could say, that it would cut support programs by 40 per cent in a year when commodities, grain, wheat, oats, barley, are dropping by 30 per cent on world markets.

They are not rallying because they like to take a day off and go to Regina from all over that province and across Manitoba and Alberta as well. They are rallying because they cannot make it. Many of them are going to face reorganization, bankruptcy, foreclosures and so on. Today and every day two farmers in Saskatchewan walk off the land.

I believe that the procedure that I have outlined here today combined with this new legislation could be very helpful in carrying out those reorganizations and assisting where the government has failed over the past year or two in its reorganization programs, in its support programs to farmers.

I hope that this legislation ultimately will be passed, taking into account those very worth while, very capable recommendations of the hon. member for Dartmouth. He has really brought a lot to—

The Acting Speaker (Mr. Paproski): The hon. member for Essex—Windsor on debate.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I think it is important for us first to see just how