

*Bankruptcy Act*

just discussed before this committee. But let me tell my hon. friend that his complaint with respect to the centralization of legal business in the province of Quebec has very slight application indeed to this parliament. My hon. friend knows that. The judicial system of the province of Quebec and the manner in which it operates are entirely under the control of the legislature of the province of Quebec. We are dealing with the particular question of jurisdiction in regard to bankruptcy and insolvency, but his remarks were of a general character, pointing to the centralization of legal business in the cities of Montreal and Quebec, which was having the effect of practically denuding the rest of the province of lawyers, compelling them to take up their residence in those cities if they intended to continue in their profession. Bankruptcy law is only one item to be considered in relation to the legal work of the province of Quebec, and the judicial system, the conduct of their courts, the arrangements of their districts, are all within the jurisdiction of the province of Quebec itself. I think an opportunity should be taken to forward to the attorney general of the province of Quebec the speech delivered today by my hon. friend from Richelieu, because there seems to be a good deal of force in it, and I think it should be brought directly to the attention of the authorities in that province. But in so far as this particular branch of legal business is concerned, it is under the jurisdiction of the parliament of Canada.

I do not propose to discuss this matter further at this stage, but there are present in the house at this moment a good many hon. gentlemen who were members of the special committee. They are more familiar than I or non-members of the committee can be with the various clauses of this bill. I should like to hear the fullest and freest discussion on every clause and I am sure the hon. member for Stanstead, who is chairman of that committee and who is fully familiar with every section and every proposal, will give this committee the fullest information in order that we may pass an unbiased judgment on these proposals. However, when we find that a special committee has made an exhaustive study of any question and has come to an unanimous conclusion, I think it is a pretty safe rule to follow to take its report as guidance for those who have not attended the committee or heard the discussion. Following that view, I am inclined to think that the bill as reported should be accepted by the house, possibly with very slight amendments.

[Mr. Guthrie.]

Mr. HACKETT: Mr. Chairman, there appears to be some misapprehension in the mind of the hon. member for Richelieu (Mr. Cardin) which I should like to dispel. It is regrettable that the rural population of the country is pouring into the cities but that is a trend which is not peculiar to our country or to the province of Quebec. If we put to the test of the statute the suggestion made by the hon. member for Richelieu, that a debtor who could not meet his obligations in Gaspé might be haled a thousand miles to Montreal, I fear it will fail. A debtor who is unable to meet his payments as they come due may make an abandonment of his estate to the official receiver of the bankruptcy division in which he lives, or a petition in bankruptcy may be made against him. The jurisdiction of the court before which he may be summoned is fixed by the act.

An hon. MEMBER: What section?

Mr. HACKETT: Subsection 5 of section 4. This subsection reads:

The petition shall be presented to the court having jurisdiction in the locality of the debtor.

The petition should not be presented elsewhere. The locality of the debtor is defined by subsection (y) as follows:

"locality of a debtor," whether a bankrupt or assignor, means

(i) the principal place where the debtor has carried on business during the year immediately preceding the date of the presentation against him of a bankruptcy petition or the making by him of an authorized assignment;

(ii) the place where the debtor has resided during the year immediately preceding the date of the presentation against him of a bankruptcy petition or the making by him of an authorized assignment; or

(iii) in cases not coming within (i) or (ii), the place where the greater portion of the property of such debtor is situate;

Let us consider the case submitted by the hon. member for Richelieu. We will suppose that the debtor is a merchant residing in Gaspé, and that his property is there. If the bankruptcy district has been subdivided into divisions he cannot be summoned before any court other than the court having jurisdiction in the bankruptcy division in which Gaspé is located.

Mr. CARDIN: What is that division according to the recent decision of the court of appeal and the Supreme Court? It is the whole province of Quebec.

Mr. HACKETT: No.

Mr. FERLAND: Supposing a man who could not be summoned other than in the