

*Bankruptcy Act*

statute once more. I am told that at this moment an action is pending before a court in one of the provinces of the Dominion, and the parties have been told that the judge will decide that our section 52 is unconstitutional. Is it not preferable to leave it to the provinces to decide as to the privileges they wish to extend to the landlords? The adoption of our amendment, which provides that the privileges of the landlord shall be controlled by the provincial laws in force in 1920 in the various provinces, would not deprive any province of the right to amend its own laws to meet its own views. If it is found that the province of Quebec, for example, gives too much to the landlords, the business men or any of the electors of that province might very well wait upon the provincial government and request that the law, which my hon. friend (Mr. Jacobs) seems to think is so bad, be amended to provide that in future the privilege accorded the landlords should not extend to more than 26 or 28 months, or 16 months, or whatever might be deemed best. It would be quite simple for the people of Quebec to have their law amended if they considered it unjust; and if the privilege of the landlord is not considered enough in any of the other provinces, it is equally competent for them to amend their statutes. What I wish to insist upon is that in regard to the question of the privileges of the landlord, the important consideration is that whatever legislation we pass shall be constitutional, and unless we are perfectly certain that we can legislate without infringing upon any rights of the provinces in this particular we ought to be exceedingly careful. If we cannot pass a provision, in regard to this question of the privileges of landlords, that shall be uniform, and equally satisfactory and acceptable to every province, I think it is preferable for us to take the course that is now proposed, so that the provincial laws which are now in existence or which may be enacted in the future shall govern the rights of the landlords.

Mr. CARROLL: That would necessitate an amendment to section 51A of the act?

Sir LOMER GOUIN: Yes. On this point I am prepared to receive the suggestions of the committee, and if there is offered anything that is better than what we propose I am ready to consider it.

Mr. CANNON: My hon. friend from Joliette (Mr. Denis) mentioned anterior debates in this matter. I do not wish to reopen the discussion, but before entering upon a consideration of the details of the various amend-

[Sir Lomer Gouin.]

ments I would offer some general observations to the committee on the law itself. I fully agree with the majority of hon. members from my own province who have suggested in this House the entire repeal of the Bankruptcy Act. I do not desire to criticize the operation of the law outside the province of Quebec. Evidently, in view of the expressions of opinion of other hon. members in the House, the Bankruptcy Act operates rather favourably and satisfactorily in the other provinces. In the province of Quebec it has not given satisfaction.

Mr. JACOBS: Why?

Mr. CANNON: Before the bankruptcy law of 1919 was passed we had a very simple, economical law under our code of civil procedure, which was known as the voluntary abandonment of property. The people were satisfied with the operation of that law, and whatever changes were brought about by the Bankruptcy Act certainly did not meet with the approval of the majority of the people in our province. My hon. friend (Mr. Jacobs) has just inquired why the people of Quebec were not satisfied with the act of 1919. I can answer that question briefly. The reasons for this dissatisfaction were principally these three: First, the authorized trustees were appointed by the government in too large a number. We had in our province, in the large centres like Montreal and Quebec, accountants who had given entire satisfaction to the people, and who had been handling estates under our own abandonment of property law; and when the 1919 act was passed and put into force a greater number of trustees than necessary were appointed. The result was that while on the one hand we had large, prosperous and trusted firms who could handle estates in a satisfactory manner, there were on the other hand a whole lot of trustees who had for the most part been appointed through political pull, who had no experience, and who began to make a living by inducing people to go into bankruptcy. This evil has been considerable in the cities, but it has been widespread in the country. Farmers who had always met their liabilities with the merchants and with the banks, who never had any serious financial troubles, were told by these trustees that if they went into bankruptcy their debts would be wiped out, their financial liabilities would disappear, and they could start all over again. The farmers were deceived and a large number of them went into voluntary assignment. The trustees made a whole lot of money, the farmers lost the little they had, and their credit has naturally diminished in consequence. The re-