

## HOUSE OF COMMONS

Thursday, May 7, 1970

The House met at 2 p.m.

### ROUTINE PROCEEDINGS

[Translation]

#### COMMITTEES OF THE HOUSE

##### HEALTH, WELFARE AND SOCIAL AFFAIRS

Seventh report of Standing Committee on Health, Welfare and Social Affairs, in French and in English—Mr. Isabelle.

[English]

##### JUSTICE AND LEGAL AFFAIRS

Twelfth report of Standing Committee on Justice and Legal Affairs—Mr. Tolmie.

[Editor's Note: For text of above reports, see today's Votes and Proceedings.]

#### PRICES AND INCOMES COMMISSION

##### TABLING OF REPORT ON GLASS CONTAINER PRICES

**Hon. Ron Basford (Minister of Consumer and Corporate Affairs):** Mr. Speaker, I should like to table a report, in both languages, of the Prices and Incomes Commission on glass container prices which indicates that the commission, with full government support, has effected a roll-back in certain prices.

#### BANKRUPTCY ACT

##### AMENDMENTS TO REGULATIONS RESPECTING ORDERLY PAYMENT OF DEBTS

**Hon. Ron Basford (Minister of Consumer and Corporate Affairs):** Mr. Speaker, I am pleased to announce today amendments in regulations under the Bankruptcy Act to expand the scope of procedures under Part X of the Act, which provides for debt consolidation and orderly repayment by individual wage earners.

The regulations under Part X of the Act have been proclaimed and are in force in the provinces which have chosen to implement it—Nova Scotia, Manitoba, Saskatchewan, and Alberta. Consultation is under way with two other provinces wishing to take advantage of the federal legislation, British Columbia and Prince Edward Island.

The changes in the regulations being approved today remove any limit on the amount of debt which a province may allow wage earners to consolidate through a court order. Until now the limit has been \$1,000. Manitoba has already chosen to double the limit to \$2,000, and Saskatchewan and Alberta have decided to let the procedure apply to debts of any amount.

A brief word on the nature of the plan might be helpful to hon. members. In the provinces where the Act is in force, individuals may apply to a court clerk for an order consolidating their debts and setting out the terms and schedule of repayment, and the court approves a plan within the debtor's means. The regular payments are distributed among the creditors on a pro rata basis until the debts are fully repaid. Until the debts are entirely repaid, the individual is immune from legal proceedings and cannot be sued by his creditors. At the same time, the individual is prohibited from contracting new debts.

This plan can provide badly needed assistance to unfortunate wage earners who cannot cope with their debts and who cannot afford the more costly step of declaring a personal bankruptcy. From the creditor's point of view, it means he can give the debtor time to pay without any fear that another creditor might seize the assets of the debtor through legal proceedings.

I wish to emphasize that the entire Bankruptcy Act is being reviewed with a view to complete revision, including Part X, but I consider the relief these changes make right away to be so desirable that I wanted to go as far as we can now with the existing act. However, some provincial Attorneys General may quite properly wish to wait until a complete revision of the Act is dealt with by Parliament before requesting that the existing Part X be declared in force in their province.

● (2:10 p.m.)

**Hon. W. G. Dinsdale (Brandon-Souris):** Mr. Speaker, Parliament has been waiting a long time now for a ministerial announcement in connection with revision of the Bankruptcy Act. When the minister rose in his place today I was hopeful that at long last the statement he was about to make might be a