

we had better revert to the old state of things and let each province deal with the situation as it thinks proper. There is, I think, in every province of Canada a law dealing with assignments and preferences, and if we would in this parliament extend the right to grant discharge—say after publication of notice of application to be made to a county judge, the debtor satisfying the judge that he has dealt honestly with his property—then I do not see why the debtor should not be given an opportunity to start life afresh. But these constant changes, and the mutilation of the act in this manner, are to my mind most undesirable. I do not know whence comes the request for the change; I have heard of none in my own province. We are getting on very well indeed with the act as we had it, with the authorized trustees. I know that a number of them have put up \$80 to obtain the security required; in my own county one has recently done so. If this proposed bill goes through they lose that, and while this may appear only a trifling feature it is one worth mentioning. Why should we have the change now suggested? I hope later to ask the minister to explain from what source comes the demand for this startling change in connection with this law. I understand that the act is modelled after the English act, and naturally it would take a little time to get a new law working smoothly. That, however, was being accomplished, and now that we understand the act and the people of the provinces have become acquainted with its provisions and, are applying them with little inconvenience, it is proposed to make these changes. I think if the minister feels that he must do away with the existing system of authorized trustees, it would be just as well to repeal the provisions of the act entirely and pass one giving authority for the discharge of a bankrupt in the manner and upon the grounds I have indicated, leaving the matter in other respects to the various provinces. After all, apart from that feature, is it not a question of property and civil rights? It is a much easier matter to make an amendment to meet the situation in the legislatures, it can be done more quickly and the operation of the act would be less expensive. The stand I feel disposed to take is that if we are going to disturb the law as we have it now and go back to what is practically the old system, we should have recourse to the provincial laws as they obtained in the various provinces. But I certainly do urge that there should be some law giving the right to discharge anyone making an assignment, upon his satis-

[Mr. Boys.]

fyng, say a county judge. I do not see why a bankrupt should have to go to large cities in a matter of this kind. A county judge is in a position to pass upon the question whether or not a debtor has dealt honestly with his property and should be given his discharge and be allowed once more to do business in his own name. I will reserve any further remarks I have to offer on this matter until the House is in committee on the bill.

Mr. S. W. JACOBS (George Etienne Cartier): I do not understand that these proposed amendments are intended to interfere with the discharge of the bankrupt. As I understand the matter, the provisions proposed relate more to procedure than to anything else, and I gather from a cursory reading of the bill that the amendments now introduced rather strengthen the act in many respects. The substance of the bill appeals to me as being an improvement, with the possible exception of one of the clauses, which restores to the landlord all the rights that he had prior to July 1920, when the act was put into force. I am against the provision in that clause, because I fear that as a result of it the landlord will walk away with the entire assets of the estate.

Sir HENRY DRAYTON: They often do.

Mr. JACOBS: In one province, which I know most, the province of Quebec, the privilege of the landlord in some cases extends to twenty-eight months' rent. In a large city like Montreal, where rents are pretty high, we can conceive of cases where a landlord not only will rank as a privileged creditor and walk away with everything, but will be a creditor to a considerable extent even after the entire estate is wound up. Let me read section 2,005 of the Civil Code:

The privilege of the lessor extends to all rent that is due or to become due under a lease in authentic form.

But in the case of the liquidation of property abandoned by an insolvent trader who has made an abandonment in favour of his creditors, the lessor's privilege is restricted to twelve months' rent due and the rent to become due during the current year if there remain more than four months to complete the year; if there remain less than four months to complete the year, to the twelve months' rent due and to the rent of the current year and the whole of the following year.

That is to say, the landlord would be entitled to sixteen months' accelerated rent and twelve months' past due rent. Where the trader has been paying \$1,500 or \$2,000 a month rent, this privilege claim will run up to some \$40,000 or \$50,000 in some cases, whereas the whole estate might not be worth more than \$15,000 or \$20,000. I think the