

Corporate and Consumer Affairs

had not yet reached a formal stage. The current report of the director is now in the hands of members.

I do not want to speak at much length about bankruptcies because there will be another occasion when my estimates will be considered by the committee of supply. The smooth and efficient working of the economic system can be impaired by economic dislocation and waste resulting from unnecessary or fraudulent bankruptcies. Wasteful bankruptcies have an adverse effect on investor confidence. They bring about a reluctance to take risks and innovate. At the same time they are a source of grave injustice to the creditors. We are keenly aware of the serious nature of this problem. As a result, the bankruptcy branch has been enlarged and modernized over the past year. Administrative practices and supervision have been tightened. Speedier investigation by the department has been undertaken. The work of an advisory committee on bankruptcy is progressing satisfactorily, though a draft bill completely revising the federal legislation in the field of insolvency and bankruptcy will not be ready until late in 1968.

• (3:50 p.m.)

We have set up, as many members know, three regional offices of the bankruptcy branch. They have been established this year in Montreal, Toronto and Vancouver and are staffed by bankruptcy investigators and accountants. These offices should assist the work of the bankruptcy branch with a systematic audit program of trustees. They also investigate alleged cases of irregularities connected with bankruptcies, whether these have taken place before or after the bankruptcy. This is possible, of course, in view of the recent amendment to section 3A of the Bankruptcy Act. The Royal Canadian Mounted Police are co-operating closely with the bankruptcy branch in cases where fraud and other offences of a criminal nature are involved.

We have continued our careful review of trustees operations, and the licences of more than 60 trustees have either not been renewed or have been restricted to the administration of the estates in their hands. No new trustees were appointed between April, 1965 and September, 1967. We now have a new licensing policy for trustees; a release giving details has been sent to all members. From now on candidates for licences will be required to possess qualifications of a high order. They will, in addition,

have to submit to a formal examination before a board of examiners. This board will be made up of four members appointed by the superintendent of bankruptcy from the legal and accounting professions and public service.

The patent system can have a profound effect on our development policies, and this is another area under full study by way of a reference to the Economic Council of Canada, as hon. members know. Perhaps it would be best dealt with on another occasion.

Perhaps my remarks about these other branches, Mr. Speaker, are enough to demonstrate the need to have all aspects of the department's work carried out on a consistent basis in line with the general economic policies of the government. This is the rationale, as I attempted to explain last evening to the house, for the regrouping of the agencies which has been achieved by the creation of the new department. To recapitulate, we are concerned with setting certain ground rules for business activity. These are to be tested by the extent to which they encourage maximum efficiency and responsiveness to the needs of the public at large. We are concerned to see that the people have the best information available on which to make valid decisions about what they buy and what they do. In order to give the consumer what protection we can, within the limits of federal government responsibility, we must be able to influence both the demand and supply sides of the market relationship. We have here an opportunity to make the department of corporate and consumer affairs the most advanced of its kind in the western world. No other nation of which I know, sir, has earmarked a cabinet Minister with full responsibility for consumer affairs. We are going to do our best to respond to the challenge of this opportunity.

Mr. Erik Nielsen (Yukon): Mr. Speaker, it is either a feast or a famine. We listened very attentively the other day to the minister at the resolution stage and we have listened to him with great interest yesterday and today for an hour and a half. He has cleared up some of the ambiguities that were present at the resolution stage but he has left a good many others unexplained. It was difficult to discern for a while just what the government was working toward in designing a bill to create a department of corporate and consumer affairs. I believe it is now clear. The government is not creating a new department at all. What the bill is doing is abolishing