

Supply—Justice

The main purpose of the act is to help the bona fide debtors and protect the creditors, while allowing for the best disposal of the bankrupt's goods.

It reflects the old principle of free trade and is meant to encourage initiative and even daring in business.

The problem is serious. In November 1965, total losses attributed to bankruptcies amounted to \$15,600 million. According to Dun & Bradstreet, 248 bankruptcies were registered in Canada, the highest number in 1965, except for the 274 bankruptcies reported in March of the same year.

It is noted that bankruptcies are increasing in Quebec, Manitoba and British Columbia. The largest increase in losses were registered in Quebec and British Columbia.

The tendency remains upwards: the office of the superintendent of bankruptcy entered the following number of bankruptcies: 1959, 3238; 1960, 3641; 1961, 3511; 1962, 4297; 1963, 5189.

The bankruptcies occur mainly in the following categories: primary industry, manufacturing industry, construction industry, transport and communications and other services, business bankruptcies, finance, insurance and real estate—

[*English*]

The Chairman: I must advise the hon. member that the time allotted to him has expired. There is no agreement that the hon. member continue.

Mr. Favreau: We would agree that the hon. member continue.

The Chairman: Does the committee agree that the hon. member for Sherbrooke continue?

Some hon. Members: Agreed.

[*Translation*]

Mr. Allard: Then I conclude briefly, Mr. Chairman. I thank the hon. members for allowing me to conclude my remarks. I wish to suggest some amendments to the Bankruptcy Act, because we must not only criticize and demolish, but also correct the situation. I suggest certain amendments by which the situation can be improved.

● (7:20 p.m.)

First of all, it would be advisable to appoint in each judicial district competent, specialized and permanent officials. These new trustees, if they could be called that, well-paid, just like a clerk of the court, could

[Mr. Allard.]

settle without delay, as soon as possible and honestly, bankruptcies and liquidations coming under their jurisdiction.

Second, anyone filing a statement in bankruptcy should be automatically declared bankrupt, so that he might be the subject of a full investigation.

Third, a closer watch should be kept on the bankrupt who wants to get back into business because we have seen, for many years, people declare themselves bankrupt and two or three months later become the most prosperous people in the country, and often in the same sector of the industry or economy.

Fourth, it would be desirable to set forth clearly the responsibilities of the governments. We have heard various statements, which did not always agree, from the federal Minister of Justice and the Minister of Justice of the province of Quebec. I think that it would be advisable to set forth clearly the responsibilities of the federal and the provincial governments.

Personally, I understand that the Bankruptcy Act comes under the federal government, which is responsible for its administration, and that apparently the proceedings must be instituted by the provincial government.

But in their statements, the federal Minister of Justice and the Quebec Minister of Justice do not seem to agree on the responsibilities of each government.

In my opinion, everyone should agree so that this very important act, after some suitable amendments, will bring about the desired results.

Would it not be better to transfer to the provinces jurisdiction in the field of bankruptcies? It is not that I want to take this jurisdiction away from the central government, but since those problems are often local and regional and are often related to immediate problems, a provincial government might be able to keep a closer watch, with the help of other provincial laws, on the general progress of the regional business community. It might be advisable to examine the possibility of handing over to the provincial governments jurisdiction in the field of bankruptcy in order to increase efficiency.

[*English*]

Mr. Fairweather: Mr. Chairman, I do not think anybody has to apologize for the disquiet there is in the house about the Spencer case. I intend to take only a minute or two to