

to share some responsibility, because five of those years were wonderful Liberal years. My honourable friends on the other side of the house do not need to worry too much about that.

Hon. Mr. Brooks: My point is that these problems do not occur suddenly. They have been accumulating over 12 years, and this bill is intended to cure what has been accumulating for those years.

Hon. Mr. Croll: Yes, that is right. This is not like the devaluation problems that occur overnight.

As I say, these problems are here, and they have probably existed since the act was put on the statute books. I will go further and say the reason for this is that during the course of the years very few frauds have been uncovered, and only a minute number have been prosecuted.

Let me give you a typical case which I have taken from the press. The question is asked:

Why aren't there more bankruptcy investigations to determine the possibility of fraud?

And the answer is given:

Because there usually isn't enough money to pay for one and the creditors, who have already lost plenty, are loath to dig further into their pockets, that's why.

In a recent small bankruptcy, involving \$12,000 in assets, a sum of about \$5,000 was recovered through the auctioning of the bankrupt stock. Who got the money? Not the creditors.

Upwards of \$350 went to the man who took stock. The auctioneer got a commission of about \$500, plus another \$1,500 for "expenses". The trustee got \$425 for handling the business. The solicitor to the estate got almost \$700, and the solicitor on the assignment got \$80. After other expenses were paid—postage, advertisements, hydro, storage charges, room rental for creditors' meetings, etc., there was exactly \$176.93 left for the creditors to split up. Of this, the Unemployment Insurance Fund, a preferred creditor, got \$13.80. Business tax ate up \$5.27. The sheriff got \$158.

Hon. Mr. Choquette: That is better than average.

Hon. Mr. Croll: The average must be very bad because as I add up those figures there was a loss of about \$2.

The explanatory note to the bill says:

The purpose of these amendments is to correct certain abuses that have occurred in the administration of small estates under the Bankruptcy Act, by repealing those sections in the Act that provide for the summary administration of such estates.

My view is that the abuses are not so much with the small estate as with the big estate. It is at the big estate we should be aiming. Society has a tendency to go after the small fry and let the big fish escape. I do not think the damage is done by the petty offender. I think it is done by the big people. Some of these big people threaten the financial structure of a community. Certainly they undermine confidence and they take away the savings of hundreds of little people.

Too often it is the white-collar operator who violates the criminal law as applied in bankruptcy, in the course of his occupational activities. He is getting away with it. We treat this problem far too casually.

I hope that by this amending measure we may close the loopholes, or at least look forward to the time when they will be closed. I hope that time is not too far distant.

Honourable senators, I have known instances where the bankrupt attended the first meeting of creditors, having arrived in his wife's Cadillac car, the children's sports convertible not being available. I have known of cases when creditors' meetings have been adjourned or postponed to await the bankrupt's return from a trip to Florida. These people are commercial pickpockets. They sometimes break a creditor, but more often they hurt him. It is time that this Bankruptcy Act were considered by those who are experts on it.

There is need to establish under this act a bankruptcy fraud squad, men with long noses, big ears and inquisitive minds, with a determination to root out the evil. The type of bankrupt I am speaking of is the man without shame or decency or a sense of honour. Most of the time, they plan to defraud their creditors; they are looters and ought to be in gaol. More often than not, they have been able to use the act in a way in which it was never intended to be used, as a haven. Some of these unprincipled people have grown rich by bankruptcies.

The sponsor of the bill (Hon. Mr. Higgins) has quoted poetry from time to time. I do not often understand it, but I have always