

honourable senator indicated to us, in that some provinces are in difficulties as a result of legislation which they relied upon for some time.

I think this proposed measure will help the little man in dealing with a very personal problem. I do say this, however, that to do away with inspectors is a mistake. They can be and indeed are most useful, in the sense that they have done business with the insolvent—as my friend likes to call him, and I too prefer that word. They know something of the business, the locality, the character of the people, and they may even know something of the assets that the man may have. Consequently, inspectors are useful. In any event, I should not think the clerk would want to take all the responsibility to himself at first, and he would welcome the assistance of inspectors or such people until he learns more about the new practice. In this respect I agree with the observations made by the honourable senator from Toronto (Hon. Mr. Hayden) and the honourable senator from Ottawa West (Hon. Mr. Connolly).

The amendments deal with an immediate problem, but there is much more that needs attention. I think the whole question should be discussed here and now, since the act is open for discussion. This act has been on the statute books for twelve years without any worthwhile amendment. If there has been any amendment, it has been slight and inconsequential. In those 12 years the face of business has changed. Times have changed; new competition has developed; goods and services that are available to us have also changed.

A few days ago I looked up some of the debates that took place when the act was introduced, and there I read that the act was,

... intended to permit an honest but unfortunate debtor to obtain a discharge from his debts in order to provide for his rehabilitation as a useful productive member of society.

That is a very laudatory purpose, but I would remind honourable senators of something they already know, that over the years more and more businesses have clothed themselves in corporate garments which have neither bodies to be kicked nor souls to be damned. These corporate bodies have become a media of fraud, because there are loopholes in the Bankruptcy Act which give the debtor, who has some foresight and who does some planning, an opportunity of escape. Since most enterprises of any size are conducted as limited companies, the head of the firm is never responsible for the debts unless he particularly makes himself responsible, and he usually does not.

In the changing conditions of commerce in this country the present Bankruptcy Act is inadequate and too lenient. I had hoped that after 12 years it would be tightened up by this revision so as to provide protection for the unsuspecting against planned bankruptcy and disregard of creditors.

In 1960 in the city of Toronto there were 258 business failures, and in 1961 there were 277. The liabilities in the city of Toronto for 1960 were \$94 million odd. That figure is a little abnormal, due to the fact that two mining companies, Can-Met Explorations Limited and Stanrock Uranium Mines Limited, failed.

**Hon. Mr. Roebuck:** We had a Conservative government then, you know.

**Hon. Mr. Croll:** Thousands of small investors were wiped out. In all of our larger cities the number of business failures rose. I think it is a matter of some consequence that in 1960 we had a total of 1,901 business failures with debts of \$180 million, and in 1961 there were 2,028 with debts of \$115 million. Honourable senators will notice that despite the fact there were more failures in 1961, the total amount of the debts was less. I quote these figures, not for the purpose of damning anyone, but to indicate that there is a real problem which we have not faced up to.

**Hon. Mr. Brooks:** May I ask the honourable senator if he has the figures for 12 years ago when this act was passed?

**Hon. Mr. Croll:** No.

**Hon. Mr. Brooks:** Of course, that would be the only fair comparison.

**Hon. Mr. Croll:** I am not attempting to make a comparison.

**Hon. Mr. Brooks:** The honourable senator is making a comparison whether he is attempting to or not.

**Hon. Mr. Croll:** I have many figures here. I did not intend to deal with the period of 12 years ago, but if the honourable Leader of the Government (Hon. Mr. Brooks) wishes me to quote those figures I will see if I have them.

**Hon. Mr. Brooks:** Frankly, I do not see the pertinence of the figures the honourable senator is quoting.

**Hon. Mr. Croll:** The figures have a purpose, and I said it was to indicate that there is a problem. Surely, when there was a loss of \$94 million in the city of Toronto in 1960, and when normally such loss is \$20 million or \$25 million in one year, this is something unusual.

I am getting to my point, which is that the bankruptcy field has been neglected for 12 years. There is enough room for everybody