is often a man who has put all his money into a business which prospered for a while and then failed, and thus he finds himself ruined.

It is equally unfortunate for the creditors, for I suppose it has never happened that a creditor has found a business that went bankrupt had sufficient assets to pay 100 cents on the dollar.

Bankruptcies or insolvencies—whatever you like to call them—existed way back in the misty past. Roman law made special provision for bankruptcies, and the law of bankruptcy was for a long time a harsh one because the bankrupt became a slave of his creditor. But, the doctrine of *jus gentium,* the law of nations, spread from Greece and prevailed in Rome, and the bankruptcy laws were softened and made more merciful and equitable by its influence.

England, up to the mid-nineteenth century, had equally harsh laws with respect to debts, and men who could not pay their debts filled the jails, for the idea existed in those days that a man who could not pay his bills should be sent to prison. But more humane doctrines gradually prevailed, and with the changing times laws became more merciful, and for many years now the bankrupt may lose his money but not his liberty.

The institution of limited liability companies has been a boon for people in business. By this means a man now loses only what he puts into a company; his private estate is never touched in the case of a liquidation. A small man may become a shareholder in a company and lose only the money he put into that company, but if that man is a minor member of a partnership and that partnership fails, then he might lose everything he owns.

To demonstrate the importance of discussing bankruptcy I shall cite the following figures with respect to bankruptcies in Canada during the calendar years 1957 to 1961:

Year	Number of bankruptcies
1957	3,486
1958	3,229
1959	3,238
1960	3,641
1961	3,511

Honourable senators, in deciding to give you a resumé of bankruptcy, I did not want to adopt a professorial attitude here in the Senate because I was never a professor, but I thought it might be interesting for some people if I did this. I found it a hard task, considering the short time at my disposal. However, I found a clipping in my desk which came to light because I changed my quarters from a small room to a larger room that has a nice view of the Ottawa River flowing behind. I found myself in more congenial surroundings, and after I started to prepare this speech I came upon this clipping by Walter Stewart, a press correspondent in Toronto. I feel I should give thanks to those to whom thanks are due, and I would like to give thanks to that gentleman because he helped me out in a portion of my speech.

Now, there may be those here who know nothing about bankruptcy or bankruptcy laws; there may be those who know something about those laws, and there are others who are experts on the subject. I say to those who know nothing about bankruptcy law or the Bankruptcy Act that they may learn something; of those who may know a little, I ask tolerance, for even I, who know very little, must listen to my own voice with patience and try to improve myself with repetition. And I say to those who know a lot —that is, the experts—they may gain nothing, but at the same time will lose nothing and may have the satisfaction of discovering that I do not know as much as I try to make them think I know, and it is a great satisfaction to find out the truth no matter how embarrassing to some other person.

There are two ways of becoming bankrupt. The first is by the filing of a voluntary assignment. A debtor executes an assignment of his property for the benefit of his creditors, and also makes a statement of his assets and liabilities. These are filed with the official receiver, who appoints a trustee. He cannot appoint anyone as trustee, but only a person who has been licensed under the Trustee Act, and such a person must give a bond for the due carrying out of his duties and the proper management of the estate. The official receiver usually chooses a trustee after consultation with the most interested creditors, if ascertainable at the time.

Within five days, the trustee sends a notice for a meeting of the creditors to take place within 15 days after the mailing of the notice. Meanwhile the debtor must fill out a questionnaire about his affairs, which is given to him by the official receiver. The official receiver will examine him on his answers, and these are filed.

At the meeting of the creditors, the official receiver or the trustee will be the chairman. Placed before the creditors will be the assignment, the questionnaire and the answers to it. At this meeting the appointment of the trustee is confirmed or a new trustee is appointed. The meeting also appoints inspectors, not exceeding five in number, and they are usually the largest creditors. Their work is to advise and guide the trustee.

At the meeting, any creditor has a right to cross-examine the debtor. The creditors may pass any resolution for the guidance of the