

*Insolvency Act*

Crown priority changes should apply, and must apply, to the priority given by provincial legislatures to the claims for provincial taxes and indeed for municipal tax levies. I am thinking, Sir, of business taxes.

Bill C-17 has a great number of concepts whereby businessmen will be able to organize with the bankruptcy court to rearrange their debts. Those types of arrangements, certified by the court, are important. Yes, it may affect the rights of those who have collective agreements. Yes, it may affect the rights of those who have sold goods. And, yes it may affect the rights of those who have mortgages. However, Sir, surely, in the interests of commercial activity and in the interests of employment and of making our country go, it is important that arrangements be made to satisfy creditor claims in such a fashion as to keep businesses going and people employed.

One of the problems which this Bill deals with are receiverships. In the present Bankruptcy Act there is no mention whatsoever of receiverships. However, today, most insolvencies are the result of a receivership started by a bank, a trust company or a commercial lender who has a floating charge debenture against the assets of a company. Floating charge debentures did not exist when the present Bankruptcy Act was put through. At least, no one used them, if they did exist. Today, floating charge debentures are the way many secured creditors try to protect themselves. Indeed, shareholders in businesses often, in making further advances to their own businesses, secure their own advances by floating charge debentures. Thus, under the current law, they put themselves in priority, even in priority to their own employees.

That brings up the real question, Sir, which has been haunting this Bill for the past year and a half or two years, and that is, the question of super priority. The question is, how do we handle the valid claims by those who work for a business when the business, all of a sudden, without their knowledge, without their even knowing what is happening, is put into receivership? A man goes to his factory and finds the door is locked and there is a sign on the door saying, "In receivership. Call so and so", and he has not been paid. He has worked for two weeks, or he is a truck driver and he even has personal mileage expense which he has paid out. He is entitled to that money and he has not been paid. Somewhere along the line those people who work with their hands, those people who work in business, have to be covered.

The Landry Committee suggested that we go through another fund. Somehow there should be another employment deduction like that of the Canada Pension or unemployment insurance; that business should have another deduction fund. I was told the other evening that it might be managed by the Unemployment Insurance Commission. Well, that is an efficient commission to manage things if there ever was one!

● (1630)

Sir, businesses in this country have too many payroll deduction burdens. That is what is wrong with the whole economy. That is why we cannot get people back to work. Businessmen are asked to make a contribution to this fund, that fund and

the next fund. The payroll burdens in this country are far too high. They militate against jobs and, heaven knows, there are 1.5 million Canadians out of work, a great number of whom would not be out of work if we did not have the horrendous payroll burdens demanded by the laws of this Parliament. To add another one would further militate against jobs. Anyone who suggests another payroll burden is saying they do not want jobs for people, they want more burdens on the small businessman, the factory owner and the office employer. A suggestion of this nature could only be made by someone with their head in the clouds. One can only wonder what kind of clouds. Therefore we cannot and will not support a system which adds another payroll burden on the backs of employers and employees and militates against jobs.

How are you going to handle it, Mr. Speaker? The only way we can see is to make the claim of those who work a priority up to a certain amount, we suggest \$4,000, against the assets of the bankruptcy. What is wrong with that? Surely when a company goes bankrupt there must be something left. Surely that something can pay the wages of employees. If there is nothing left, then there is nothing for employees either; but that is the nature of bankruptcy. If the company is so bankrupt that there is nothing left of realizable value, then the employee, too, goes without. But after all, the employee at that stage of the game should know that the situation is with the company for whom he works. Sure, he can be hurt, he can be out money. But the concept of super priority would have made sure that Maislin truck drivers would not have had to wait and take part payment of their wages. They would have been paid in full, and early. The Canadian Imperial Bank of Commerce and other secured creditors could not have gone ahead and sold the trucking licences and other assets of that corporation without paying the employees. They would have paid them in a hurry because they would not have been able to operate their receivership without doing so. So much for delay.

If you want to see a delay, Mr. Speaker, look at how the Unemployment Insurance Commission handles people who are sick, have a claim in for 15 weeks and how they get diddled around. If you want to see delay, look at how a person who may have a back injury or something and is making a claim for unemployment insurance is told he is not even sick. They talk about a fund run by the Unemployment Insurance Commission. Look at the delays and how ordinary workmen are pushed around, shoved around and messed around with by bureaucrats in the UIC.

Sir, the private economy can get things done pretty quickly.

**Mr. Blaikie:** Ever been to a bank lately?

**Mr. Blenkarn:** Secured creditors in a receivership move as quickly as they can because they know dollars not converted to pay off bills are themselves eaten away by interest costs. Therefore they move as quickly as possible. That is one of the concerns, that receivers move too quickly in selling assets to pay off claims. I can say to you, Sir, that they will pay off the claims outstanding for workmen quickly, efficiently and effec-