

The biggest concern that small businesses have in the area of receivership is the tendency of receivers, acting on behalf of one secured creditor, to undervalue assets when disposing of them. As long as they get their money out of the transaction, they do not really care too much—if it's the Royal Bank or another secured creditor—about other unsecured creditors down the line, many of whom are small businesses struggling to survive in the face of this Government's disastrous economic policies.

Another major concern is the difficulty of stopping people from declaring bankruptcy one day and then opening up the next day across the street another company with another name. These are areas of concern that we will be addressing when the Bill goes to committee. We are prepared to facilitate quick passage of this Bill in committee.

As I have indicated, my colleagues from the farming community have some concerns which they wish to bring to the attention of the Minister and the House at this point. However, we are prepared to put in the necessary time in committee to propose very important amendments in a number of key areas. I have highlighted some of those areas today—amendments with respect to the protection of workers' wages; the expansion of the definition of wages; and provision for a wage insurance scheme. There should be amendments to ensure that the bankruptcy law will not be used as a means of smashing collective agreements, amendments to strengthen the protection of unsecured creditors, small businesses, in the event of receiverships, and, of course, amendments in a number of other areas which will no doubt flow from the representations which will be made by witnesses appearing before the committee.

● (1620)

In conclusion, Mr. Speaker, I look forward to hearing from witnesses on this Bill in the very near future, witnesses from labour, from the farming community, and representatives of the credit granting institutions. I suggest that the time for change is indeed long overdue. However, Mr. Speaker, we must ensure that in making changes in this important area of the law, we fully and properly protect the wages of the people who have contributed to the profits of the company in question. As I say, that is our fundamental objective in examining this legislation from the perspective of those who are left out in the cold. As well, we want to ensure the protection of farmers and fishermen in the event of bankruptcy. I look forward to elaborating on our concerns, Mr. Speaker, when this Bill reaches committee. Hopefully, by the time this House rises for the summer recess, if the Minister has an open mind after hearing witnesses and is prepared to listen to our representations, particularly in the areas I have outlined today, I am confident that we will be able to emerge from this session with bankruptcy legislation which can be supported by all Hon. Members of this House.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I rise for a few moments to speak about Bill C-17. A bankruptcy or insolvency Bill is a Bill which deals with trying to divide up

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among the various competing interests a pie which is not large enough to cover all of the claims made against that pie. Those claims include the claims of wage earners, those who have been the suppliers to the corporation or business involved, landlords, mortgagees and indeed they include all of the various claims which in any way affect a business or indeed an individual.

It is about time that this House dealt with bankruptcy and insolvency legislation because enormous changes have taken place over many years and the present statute law is not satisfactory to anyone. I would note that predecessors to this Bill have been before this Parliament and were never passed, indeed often, and were never brought forward, for some reason, since 1977. It is absolutely a disgrace that this legislation was not brought forward sooner. It is with that in mind that I hope we have the co-operation of all Parties in the House to expedite this Bill and get it before committee today so we can start hearings as early as tomorrow morning in order to make sure that we get at the details of this legislation quickly.

The legislation before us, Sir, is a good first draft, but that is all it is. It is only a good first draft. The Minister has already circulated amendments half an inch thick. There is another half an inch thick pile of amendments still in the circulation stage in the Department of Justice and here and there, which have to be brought forward. There are a number of concepts with which we are not all agreed, but we are agreed on one thing; that we must have new insolvency legislation in this country and we must have it immediately. Before this House rises on June 30, this legislation must be put through committee, it must be refined, and there will be compromises which will be required. That is the way it is, but we need the legislation.

My friend from the New Democratic Party has indicated that efforts must be made to change the laws with respect to farms and with respect to the fishing industry. Yes, there must be. There must be a way that the result of a seizure, bankruptcy or insolvency does not wind up putting a farm or fishery operation completely out of business. There must be a way that debts can be postponed, reorganized and so on. It was with that in mind that this House directed a Bill to go to the Finance Committee for study, and it was with that in mind that the Minister has suggested that such provisions be in this Bill. Exactly how those provisions will work will again have to be a matter for this committee to work out in detail.

The Minister has suggested that in a whole series of statutes governments can claim a first lien on the assets in a bankruptcy. The Minister has indicated that in her view the government lien should no longer be a first priority, that the Government, when it has a claim for taxes, should rank as ordinary creditors. There is no reason why the Crown should somehow come in and say it is entitled to its sales tax before the company and before the wage earner who supplied the work and effort to make the sale possible gets paid. Surely, the Crown must be an ordinary creditor. The amendments which are contemplated which address that situation are important amendments. Those