

Mr. Speaker, the people of Canada, of Québec and of Drummondville should not have to face such situations. The British North America Act of 1867 gives Parliament the right to legislate in matters concerning and I quote, "bankruptcy and insolvency". As I mentioned, however, in this area, the federal Government has only enacted the Bankruptcy Act which, to say the least, is outdated. That is why some provinces, given this legislative void, have tried to protect the rights of wage-earners by enacting legislation concerning receivership and bankruptcy.

In 1975, the *Office de la construction du Québec* set up a fund to guarantee the payment of wages in the event of bankruptcies, insolvencies, disposal of personal assets and proposals of arrangements. This fund is financed by Canadian employers throughout Canada. Considering that there are approximately 12 million workers in this country, a contribution of about \$2 per year by both employees and employers would be enough, whatever the industry, to create an insurance fund of some \$50 million.

I suggest that there seems to be a consensus throughout Canada concerning this. Already, a number of provincial Governments have taken action, Manitoba and Ontario for instance. This trend can also be found at the international level. More and more industrialized nations have combined their priority status of salary claim scheme with another scheme providing for salary insurance protection for the payment of wages and other claims. Now over 20 industrialized nations have funds of this type.

Are we less civilized or compassionate than France or England? Most other industrialized nations have already taken steps to deal with salary protection in the event of a bankruptcy. Although it has been faced with this problem for a long time, Canada is still far behind, so far in fact that a number of provinces had to somewhat make up for that delay.

Mr. Speaker, I think it is time for us to remedy the situation. The time has come to implement a scheme to protect workers when their employers go bankrupt.

In view of the opinion expressed by several Parliamentary commissions and committees, both federal and provincial, in view of the leadership shown by member countries of the European Economic Community and the trend which already exists at the provincial level, it seems obvious that the best way to provide this protection is through the establishment of a salary insurance protection fund.

That is what I suggested in my motion, Mr. Speaker. This fund could be financed equally through contributions from both employers and employees and to achieve this aim, the amount of these contributions does not need to be high. Red tape could be avoided by having the Unemployment Insurance Commission administer the fund. The UIC has the administrative mechanisms required to do the job and, as it happens, it already administers the Farm Credit Corporation AGR-3235 program under which a farmer is eligible for a sizeable amount the very day he declares bankruptcy. He also gets assistance,

training and counselling provided by a manpower centre consultant. The man goes right back to work and cannot be said to be flat broke, Mr. Speaker.

In conclusion, I believe the establishment of such a fund would make it possible to achieve most of the objectives. Payments would be guaranteed and made quickly, and fund administration would be simple and not costly. In addition, any priority given to wage claims would not really prejudice the availability of credit for Canadian companies.

Mr. Speaker, this problem is harmful to millions of Canadian workers, and it can be solved without upsetting everything. We must dust off our antiquated bankruptcy legislation and give Canadian workers the protection they deserve.

This Government is on the verge of doing whatever is necessary to overhaul the bankruptcy legislation, and I would suggest that my motion is one of the major elements of the reform. I am confident it will rally the support of all Hon. Members.

• (1410)

[English]

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I rise to support the Hon. Member For Drummond (Mr. Guilbault) on his resolution. I want to thank him for bringing it forward because it is very important. We are dealing with a very antiquated bankruptcy law one which goes back to 1949. There have been many attempts in the past to try to bring amendments to the law or to revamp the bankruptcy legislation. This has not been done because it always seems to fall between the cracks at the end of a parliamentary session or what have you. Especially in the 1980s many employees have through no fault of their own lost everything. As the Hon. Member has said, social pressures happen to a family when a bankruptcy occurs, which are very serious.

• (1420)

In the last six months, 10 firms in my community have gone bankrupt. There has been absolutely no evidence of any kind of help for the employees involved, and certainly they are lowest on the priority list. There is no guarantee that they will get anything. It seems to me that it would make an awful lot of sense to look at some kind of legislation that would protect salaries.

New bankruptcy legislation should establish some kind of special salary protection fund and compensate workers for wages lost due to bankruptcies. When a company starts going into bankruptcy, the situation in the workplace is not always pleasant and there is a tremendous amount of tension. It becomes impossible for employees to put a little more effort into their jobs because their own worries and anxieties about what can happen to them take away from trying to save the companies involved. If the employees could put all their energies into trying to save the companies knowing that there was protection, it would be a great help.