

*Government Orders*

the administration of it, putting it through the unemployment insurance fund would be the best way to do it. I cannot agree to put another charge against the general revenue fund. We are, in fact, saying that all Canadians who contribute to the general revenue fund through taxes and tariffs and so forth should indemnify the wages owed by an employer to an employee. I cannot agree with that at all.

I want to talk a little bit more about what happens to a business when it goes under. I have run a business, and fortunately I was never bankrupt, but I was a creditor in a number of bankruptcies and I know what you go through as a creditor.

Why do businesses go bankrupt? If you analyse bankruptcies, you find in most cases that the reason the business went bankrupt was it just did not have enough money invested. There is no crime against that. If you look at business start-ups, business start-ups usually are in boom times. "Let's go in business for ourselves, the market is there, profit is available and product is available; let us go into business". You put the minimum amount possible into your business, never thinking you are going to have a downturn, and away you go. Some of them grow very rapidly, and if the market turns down they are in jeopardy. It is classical.

I had a look at this bill and I see that they are going to give people who supply merchandise to somebody who eventually goes bankrupt 30 days to retrieve that merchandise. I think that is a great move. I think that is a very positive thing in the bankruptcy. Nobody will find this written anywhere, but there is a feeling out there among people who are creditors in bankruptcies that there is an effort if you are going to go bankrupt to load up your inventory. If you are going to go bankrupt and you know it, load up your inventory so there will be more that can be sold to satisfy whatever creditors there are.

I had an experience in my own business, and it was a typical business arrangement, where sales were down for the quarter that we were operating in. One of my salesmen came in with a sizeable order but we looked at the name of the customer and we said "Wait a minute, we got some bad vibes about this fellow, we heard that he was kind of shaky". We did the normal checks through the banks and Dun and Bradstreet and other credit reporting agencies and they said that, yes, while he was having some cash flow difficulties he did seem to be well enough financed and he probably would be able to

survive this. On the basis of that we went ahead and shipped the merchandise to him. Within seven days we heard that they were going to put a padlock on the door. Unbeknownst to me, the salesman who had arranged the sale went back to the gentleman who was going to go bankrupt and asked him if we could borrow back this merchandise because we had a large order to ship and we had to ship it by the end of the month—none of which was true—and could we have the merchandise back so we could complete this order. They gave us the merchandise back. We took it to our shop and we sold it. The company then went into bankruptcy and the receiver in bankruptcy called me on the phone and he said: "You owe us a bunch of merchandise here, you took merchandise from our inventory and we either want the merchandise replaced or we want you to pay for it".

• (1400)

I said: "We are not going to do that. You cannot expect me to deliver back to you merchandise from which you are going to give me 10 cents on the dollar." He said: "I will take you to court". I said: "Be my guest. I do not think there is a court in the country that would agree with you". Fortunately, by just hanging tough, we got away with it, but there are a lot of other people who did not get away with it. That is one of the tragedies in bankruptcy. Those are the people who, as a result of someone else going bankrupt, are thrown in jeopardy themselves.

What I like about this bill is that it is a package. It says we have done pre-study, we have accepted some amendments, we have this business of taking care of up to 90 per cent of the employees' wages by a 10 cent per employee per week plan. I think that is the least costly of all the plans. We have virtually a chapter 11, as they call it in the United States bankruptcy, a provision to allow the company to restructure over a short period of time. We also have this business of super priority and the general revenue fund to adjudicate, I guess, when we get to committee.

I think the over-all package is good. I hope we get to the legislative committee shortly. I would like to see this bill through and operating in the shortest possible period of time. I think that if we can get it into operation it is going to help a lot of people.

I am aware that some people have spoken against John Bullock of the Canadian Federation of Independent Business. They have spoken against the 10 cent a week