

Government Orders

company goes bankrupt, it is very difficult for him to find another. In fact it is practically impossible in some cases.

Imagine, Mr. Speaker, losing your job and on top of that not being able to collect wages which really you are entitled to. That is the situation that we have under the present legislation. I feel it is extremely important that wage earners be protected, and I am delighted that this legislation has come forward.

I certainly have some concerns about what the government is proposing, because what it is talking about is a tax on employers of approximately 10 cents a week per employee up to \$2,000 for unpaid wages. What we have here is a government imposing another tax on small business and certainly we know that small business today cannot stand any more taxes. I mentioned earlier the bankruptcy rate that came out last week. It showed that in Atlantic Canada our bankruptcies have gone up 62 per cent this September over the same month last year.

The government may say: "Well, it is a small amount. It is only an average of 10 cents". That is how all taxes start. They start small like income tax and unemployment insurance which last year went up 24 per cent and there are indications we are going to see another increase this January 1. Here we have another tax being inflicted on small business. Not only that, think of the paperwork that this is going to cause. As I talk to small business owners, that is one of the main complaints they have: the amount of paperwork this government has inflicted upon them.

The committee also recommended that that amount would go to \$3,000. In other words if a company goes bankrupt an employee can claim up to \$3,000. The approach I am proposing here has certainly been proposed by the consumer and corporate affairs committee and by the Canadian Federation of Independent Business. They realize that this is a better method than imposing a tax on small business.

I think we all know that Canadians have been taxed enough. How does the federal government ever expect small business to lead us out of this recession if it continues to slow down the potential growth with even more taxation?

What has been proposed here is that the employees would have super priorities. That of course would take care of the old problem we have where companies go

bankrupt and there is not enough money there to pay the employees because they would have super priority. They would be in a preferred position for up to \$3,000. If the money were not there, it could come out of a back-up fund. I recommend that the minister strongly consider this proposal that has been put forward by the committee on consumer and corporate affairs.

Another area of improvement in this bill concerns unpaid suppliers. As the situation is now, suppliers who sell goods to companies that go bankrupt have very little recourse. Often they simply do not get paid. Under Bill C-22 goods delivered to a company within 30 days or within the 30 days that the company goes bankrupt may be repossessed under certain conditions. One of those conditions is that the goods not be altered in any way.

One of the drawbacks of that certainly is in the case, for example of agricultural products. If a dairy farmer supplies milk to a dairy and that milk goes into cheese there is no way the dairy farmer can go in and take back the milk. The same problem is true with fishermen. If they sell their lobster to a canning factory and that factory goes bankrupt, there is no way they can go in and take back their lobster.

Last January the Minister of Consumer and Corporate Affairs received a letter from the Prince Edward Island Fishermen's Association which certainly outlined their concern about this very problem. I am not going to take the time to read this letter, but they expressed very eloquently their concern. Here we are nine months later and there really does not seem to be any indication by this government that it is going to try to deal with this problem.

I certainly support the recommendation of the consumer and corporate affairs committee that the government examine this flaw and try to come to grips with it because it is extremely important for the fishermen and the farmers not only in my province but all across this country.

Mr. Speaker, I know that my time is up. I want to thank you for allowing me to put those remarks on the record this evening. I again say I am pleased that we are discussing legislation which is replacing the old act. I certainly believe in the objectives that have been put forth to help consumers and companies avoid bankrupt-