

Bankruptcy

have established U.S. plants in 1978, says Don Seto, vice-president, finance, pointing out the frenzied U.S. demand for rigs means this year's sales should climb to \$170 million from \$106 million in 1980.

Bill Hull, president of the Red Deer ESAA chapter and also president of Viking Oil Field Supply Ltd., is one of those looking south—his company is suffering a 40 per cent cutback in its \$3 million annual sales of oilfield supplies.

"I'm heading down to Houston in June," he says. "These days you can hardly get a flight to Denver or Houston because of the people moving or taking a look. Many of them with, say, \$1 million invested in a service operation have to move to survive."

More lay-offs, more businesses and regional offices are closing down; they cannot survive in Canada. I saw a recent advertisement in an economic magazine which referred to Kentucky as the eleventh province. "Come to Kentucky where you can survive, all you Canadians. Bring your money, your rigs, your businesses and your expertise". Also the advertisement indicated that "profit" was not a dirty word in Kentucky.

But I would like to indicate that the Liberals are coming up with some solutions. The Minister of Finance (Mr. MacEachen) indicated that he would give us a tax hike because the economy is strong. But he forgot to say that the economy in the United States was stronger. Thanks to him and his colleagues, the economy in Canada is not strong at all. Their solution is tax increases.

I should like to refer to what Mr. John Bulloch, the head of the Canadian Federation of Independent Business, pointed out respecting the serious effects on his members owing to the stubbornness of the Liberal government in not reaching a solution with the oil producing companies, by allowing them \$35 a barrel instead of the \$45 and \$50 out of the country. He pointed out:

The organization, representing some 57,000 small business owners and managers across the country, also says that a recent survey shows nearly 70 per cent of its membership support more rapid increases in domestic oil prices than those already set out by the government.

The members of that organization had the same feeling as many of us; Mr. Bulloch stated:

We don't believe that Alberta is as rigid as Lalonde says—

Anyone who would introduce an energy program as he has is certainly the one who is at fault; it is not anyone else. He is determined to get at Alberta one way or the other, but Canadians must realize the effects of this ridiculous policy. It affects all provinces, especially Ontario. Most of the trucks which are used out there are made in Canada. It will affect General Motors in Oshawa, Ford, International Harvester, White in Penticton and I understand the Kenworth Trucks outside of Montreal. I do not have the exact figures, but there have been some serious cutbacks in production there because of the NEP. Some of the Quebec Liberals should check the figures to find out just what this outfit is doing.

An hon. Member: Ask Bill Davis.

Mr. McKenzie: I hear a Quebec Liberal yelling out; he would not know anyway. I hope some of these facts and figures will at least get the message across to the people of Ontario and Quebec. The NEP is doing absolutely nothing for them. We hope the Liberal party will come to its senses in the very

near future and remove this ridiculous National Energy Program. Then we will not be required to debate great thick bills on how to streamline bankruptcy.

Mr. Gordon Taylor (Bow River): Mr. Speaker, in looking at Bill C-12, an act respecting bankruptcy and insolvency, I immediately asked myself what were the guiding principles which the designers, framers or draftsmen of the act actually had in mind. I thought I should point out the four or five guiding principles I would use to write a bankruptcy act for Canada today.

The first point I would put down is that honesty should pay off. It is not the basis of many of our bankruptcies or receiverships. Sometimes it is trickery, sometimes it is sharky deals, sometimes it is financial manipulation by so-called clever people. In many cases the honest chap gets the dirty end of the stick. I do not think that should be the basis of our legislation. At worst, bankruptcies and receiverships are a disastrous catastrophe for those involved and for the country as a whole. The basis of this entire act should be honesty. If honesty is not the basis, many inequalities will show up.

My second point is that bankruptcies should not be profitable. Going into bankruptcy should not be the means for a person to make money. Yet how many times has it occurred? I have seen businesses go bankrupt regularly every year and pay their debts based on a percentage of the dollar.

Whether it was five cents, 25 cents, 75 cents or 99 cents, in my view it was dishonest. They are paying their debts by making money themselves; they are not paying their logical debts. The person who takes the loss is the unsecured creditor. Bankruptcies should not be profitable.

This bill should include some guidelines which ensure bankruptcies are not profitable for certain people and terrible for those who suffer the consequences. The other night the hon. member for The Battlefords-Meadow Lake (Mr. Anguish) cited a case similar to one which is familiar to me. I do not have all the facts with regard to the case before me, but his case definitely illustrated that honesty was not the basis of the receivership on that occasion. The farmer he talked about had to pay twice simply because he was doing business with a dishonest dealer who did not give him a proper receipt. The farmer was trusting, which is a nice element in any community, and he took the dealer at his word. This is common in many parts of Canada, but in the case cited by the hon. member the farmer had to pay \$60,000 instead of \$30,000 for a tractor. That is not fair nor right, yet it is what we are condoning in this legislation. Bankruptcy should not be profitable for some and disastrous for others.

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The third point I wish to make is that bankruptcies are beyond the control of debtors and this fact should not be permitted to ruin a family. Today, in a number of bankruptcies, the debtor has had nothing whatsoever to do with bringing about a situation in which he loses his home. If the legislation for our country permits a banker or financier to