

Insolvency Act

thing which will hinder commercial practice, I want to know about it. On the other hand, we are giving notice to interest groups that we are serious about this important Bill. With that, I will say no more and reserve my more specific comments for committee.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to make a few remarks on behalf of the New Democratic Party in debate on this very important piece of legislation. I agree with the suggestions of both previous speakers that change is certainly long overdue in this important area of the law. Obviously the present legislation, the Insolvency Act, which I believe was last changed in 1949, is seriously flawed in a number of important aspects.

The predecessor legislation, Bill C-12, was introduced some three and a half or almost four years ago in the House. As the Minister pointed out, there was considerable debate at second reading of that legislation. A number of my colleagues spoke in the House, expressing their concerns about a number of aspects of the predecessor Bill. As well, the Standing Committee on Finance, Trade and Economic Affairs heard a number of witnesses in the last session and a number of recommendations were made for improvements to the legislation. In January of this year, the Minister tabled Bill C-17, which is currently before the House.

It was of considerable disappointment to many of us to note that Bill C-17, unfortunately, did not reflect in any material respect the very significant criticisms which had been made of Bill C-12. There were no significant improvements, for example, in the area of the protection of workers' wages. There were no significant improvements with respect to the whole question of the position of farmers and fishers, as the Minister refers to them, in the event of a bankruptcy.

For those reasons it was obviously important, before agreeing to facilitate speedy passage of this important legislation to committee and effectively giving the Minister a *carte blanche*, to ensure that the Minister was prepared to bring forward badly-needed amendments to the legislation which she tabled in January of this year in a number of important respects. It was for that reason that there has been some delay in bringing the Bill before the House for second reading. As a result of the representations which have been made by this Party, the Minister has made commitments to improve and strengthen significantly a number of key sections of the legislation.

I do not intend to speak at great length on this Bill, but certainly I want to make a few remarks to flag our areas of particular concern as the Bill makes its way to committee, hopefully in the very near future, where there will be an opportunity to hear witnesses.

Perhaps the single most important weakness in present bankruptcy law is the extent to which working men and women who are victims of a bankruptcy are too often left out in the cold, as in most cases banks and other secured creditors swoop in and seize any available assets. In many instances this means that workers, whether they are organized or unorganized, fail to receive anything but a small percentage of the

wages and other benefits owing to them. Recently we saw the example of the Maislin bankruptcy in which workers received something like 30 cents on the dollar. That was just in the actual wage package; it did not include benefits. For every Maislin, of course there are many other bankruptcies throughout the land which are not reported and in which workers lose literally thousands of dollars to which they are entitled. I could give many examples of instances of bankruptcy across the country. Certainly the statistics are a matter of public record.

In 1983, the last full year for which statistics are available, there were over 10,000 business bankruptcies reported in Canada. Over 1,000 or 1,279 of those bankruptcies were in the Province of British Columbia alone. It is not just the absolute figures which are of grave concern to all Hon. Members of the House, but the dramatic increase in the number of bankruptcies in Canada in recent years. We know that the failures of the Government's economic policies, whether it be its high interest rate policy or the tremendously high level of unemployment, have contributed to the current levels of bankruptcy. For example, again in the province of British Columbia, in 1981 there were 501 business bankruptcies and in 1982 that number more than doubled to 1,042. The total number of consumer bankruptcies in calendar year 1983 was over 26,000 or close to 27,000. In many of these cases we are dealing not just with the harsh financial reality but with the personal tragedy involved in bankruptcy situations.

In terms of the existing legislation, the single biggest area of concern has to be the failure of bankruptcy legislation to protect adequately the position of workers in a firm which goes bankrupt. I could make the point no more eloquently than by reading from a letter sent to me by one of my constituents, a young man who graduated from Burnaby Central Senior High School in 1982. I will quote from this letter because it sets out very clearly the problem which we as parliamentarians must address in looking at revisions to bankruptcy legislation. It reads as follows:

During the summer months I entered the work force in hopes of obtaining sufficient funds to attend Simon Fraser University this spring semester. I was able to receive employment with Truwall Construction (Alberta) Limited of Calgary. Truwall met with some financial difficulties and was forced into receivership. I obviously felt bad for all those involved, but felt that reimbursement of wages to employees would most definitely be top priority. Today after several months of correspondence with the Alberta Employment Standards Branch I was rudely awakened to the fact that it was not me, the employee, whose concerns were met with first, but those of the Royal Bank of Canada.

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I find this to be a gross injustice to all those employees, including myself, who were affected in this manner.

I ask you, my parliamentary representative, to assist me with this matter and to explain to me why those least able to defend themselves are hardest hit.

My hopes of paying my own way through university, at least for this year, are futile. My only recourse is to burden my more than willing parents with this.

Please consider my complaint.

That letter, signed by Brad Gilmour of Burnaby, repeats a complaint of thousands of workers all across Canada in the event of bankruptcy who, in many instances, lose long accumulated pension and other benefits as well as wages which are owing to them.