

of legislation. I remember years ago when I was first elected to this House. I think calls were then being put forward for legislation on bankruptcy. Year after year those same pleas kept coming forward, that we needed to do something in order to update our bankruptcy legislation. For one reason or another, while various ministers took various initiatives at least to indicate their intentions, they never went anywhere. Consequently once again here we are debating Bill C-22 regarding the Bankruptcy Act and the Insolvency Act.

Talking about bankruptcy these days seems to be a most appropriate discussion topic when we consider what is going on out in the real world. As we speak, thousands and thousands of bankruptcies are unfolding each day that the House is in session. This has become almost an unbelievable statistic that is presented on a monthly basis when we once again get the aggregate composite of the number of bankruptcies for the month of July, the month of August and the month of September. It is staggering.

We all know that this is only the tip of the iceberg. For every business that goes bankrupt many others simply close their doors, simply become a business that no longer exists. There is a graveyard of businesses that have gone under and the scorched earth policy of the various programs this government has imposed on businesses which has resulted in a travesty nothing short of embarrassing.

Literally thousands and thousands of Canadian firms went bankrupt during the past year, with liabilities in the billions and billions of dollars. We should also acknowledge the fact that while this is referring to business bankruptcies many individuals had to declare bankruptcy as well. The sad thing is that this has occurred many times as a result of nothing the individual or the firm has done, but they have been caught because of various policies and various economic circumstances beyond their control. I think all of us acknowledge the fact that from time to time we make mistakes, from time to time businesses make a bad judgment call and find themselves in dire economic straits and consequently pay the ultimate price of bankruptcy.

These days many people—and I am thinking particularly of those in the agricultural sector—find themselves having to abandon their means of livelihood, abandon the nature of their business, the nature of their enter-

prise. They are simply driven out from the life and business they have pursued because of reasons beyond their control. It is obvious that this is something we must discuss, the whole matter of bankruptcy.

We are talking today about the principle of this legislation. I want to put it into some context by simply suggesting that the current Bankruptcy Act dates back to 1949 and has never been seriously amended over the years. As far back as 1970, a study committee report commissioned by the government noted that the 1949 act essentially reflected economic and social conditions existing before the Second World War, that the Bankruptcy Act was inhumane, antiquated, and gave the lowest priority to people while making it easy on those who were making good incomes to walk away from their debts. It also indicated that employees of bankrupt firms were virtually assigned an expendable commodity status and that after the banks and secured creditors had scavenged the remains of the corporation or firm, workers were granted a preferred status for up to \$500 in wages and up to \$300 for unpaid sales person expenses.

We could go on and on in terms of the obvious shortcomings of the present legislation.

Between 1975 and 1984 no fewer than six bills were introduced by successive federal governments and they all died on the Order Paper. That clearly indicates that the governments of the day really had no will to proceed with bankruptcy laws that would treat employees equitably, that they were quite prepared to continue with the *status quo* which gave the employer, the banks and secured creditors a priority. The reality was that in spite of what appeared to be initiatives by various federal governments the results were that the bills all died on the Order Paper.

In 1986 the then Minister of Consumer and Corporate Affairs indicated that amending the Bankruptcy Act to give more protection to employees was one of his priorities. Here we are in 1991 and we are still dealing with it. As a matter of fact we still have a long way to go. Hopefully, though, we will now move expeditiously because of the work done in pre-study by the committee.

Earlier this year a member of cabinet had promised us a new and more equitable bankruptcy law for the spring of 1991. Seven years after this government had been in power and four ministers later we finally have a new bill before us, Bill C-22. It was introduced and read the first time back in June 1991 and the Standing Committee on

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