

Bankruptcy

find an individual who would suggest that the best thing for Canada is to jack up interest rates even higher, and yet that is the policy which this government seems willing to continue.

● (1550)

We are looking at a government which, through its failure to provide leadership and a sound, long-range industrial policy for Canada, has presided over the balkanization of the Canadian economy and the systematic fragmentation of our industrial structure right across the country. As a result, our international economic performance has deteriorated dramatically over the last number of months. Last year we imported over \$7 billion more than we sold to the rest of the world. This is something that I am not certain Canadians appreciate or that the government makes any effort to communicate, that the country imported over \$7 billion more than it sold. Indeed there is a balance of trade, but when we consider the dividends that are flowing out of this country, we are talking about a \$7 billion deficit.

Our balance on finished manufactured goods stood at a staggering deficit last year of \$17 billion. As a result, the value of the Canadian dollar has only been maintained by massive interventions by the Bank of Canada in the foreign exchange market and by a crippling high interest rate policy.

There is a myth that the federal government has perpetrated across Canada that our Canadian dollar has been allowed to float on international markets. One then has to ask why these incredibly large infusions of money have been required and the answer is, obviously in an effort to prop up this dollar at an extremely artificial level.

As the demand for more efficient national industries increases in the face of more competitive international marketplace, we are sorely lacking in an all-out offensive in the area of research and development. Surely during these times when we must develop a competitive edge economically and internationally, research and development should be taking a high priority in our efforts, both privately and in our educational and government institutions.

This government not only has the worst research and development record among western industrialized nations, but has only recently announced what has to be described as a weak-kneed and inadequate policy in this extremely vital area. We are still seeing the spectre of \$1.5 billion cutbacks in post-secondary funding, at a time when skilled development in the trade sectors is at an all-time low and when all sectors of the economy recognize the need for highly trained skilled workers with a very sophisticated expertise. There is a need for scientific research and technical research as never before, yet this government contemplates cutbacks of \$1.5 billion in this very vital sector. Surely that is not the kind of leadership Canada requires at this point in time.

Nothing illustrates the bankruptcy of this government more than the bankruptcy of this government. The federal government's deficit this year will again be \$14 billion. This government now is required to be in a position to have to borrow each year simply to pay off the interest on this deficit without

paying off any of the principal at all. This is a government very familiar with the problems of bankruptcy, a government which has led the way in bankruptcy legislation, but quite the contrary of what Canadians would like to have seen.

It is an irony when you look carefully at Bill C-12. The bill protects the most those who can best withstand bankruptcy loss and protects the least those unable to withstand bankruptcy loss. It is ironic in that it places goods and services above human beings. The workers of a bankrupt firm, the real producers in our country, the working people of Canada who make the goods from our raw resources, are by and large overlooked in Bill C-12. As with so many pieces of legislation coming from this Liberal government, it favours the large and the powerful and ignores the small and the weak, a tragedy indeed.

During the next number of weeks we will look forward to working with the minister in committee, proposing a number of amendments and articulating more clearly some of the more precise criticisms that ought to be made when the bill reaches report stage.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, with regard to Bill C-12 respecting bankruptcy and insolvency, I first want to congratulate my colleague, the hon. member for Cambridge (Mr. Speyer) who led the debate for this party on this legislation. I am sure he will make a further excellent contribution when the bill is discussed in committee.

It is quite ironic that this legislation is to streamline all bankruptcy procedures. Instead, the government should be bringing forward legislation to streamline policies to assist small businesses to survive in this country. We would sooner be debating that type of legislation.

The bill empowers the superintendent of bankruptcy to collect data to determine the feasibility of establishing a funded plan to insure wage earners against losses of wages and other benefits caused by the bankruptcy of their employers. The Senate committee had recommended such a plan when considering the original bill in 1975.

It is unfortunate the government has to bring in legislation and recommendations like this. If we had a responsible government, it would get off the backs of the businessmen in Canada and leave them alone. Nothing like this would have to be introduced.

Let us look at the number of bankruptcies, personal and business. In 1960, there were 3,641 and in 1980, 27,620, an increase of 758 per cent. That is the dismal record of successive Liberal governments. Farm bankruptcies in 1980 represented 79.2 per cent, an absolute disgrace. These numbers do not include businesses that collapsed but did not make use of the Bankruptcy Act; those placed in receivership, liquidated by secured creditors or that simply closed the shop doors. No wonder the Liberal government is driving so many businessmen and so much investment money to the United States.

It is high time that this bill was passed. It has been presented four times previously. It is essential today that we update, consolidate and substantiate the guidelines involving