

need to equip the marketplace with a relevant, fair and equitable set of rules that will support and invigorate it.

That is why in my presentation to you today I want to comment on certain aspects of the bill and on some of the issues raised in the report of the Standing Committee on Consumer and Corporate Affairs and Government Operations following its pre-study of this proposed legislation.

[*Translation*]

One of the main shortcomings of the existing Bankruptcy Act is the little protection it affords businesses in financial difficulty, and whatever little protection it does afford is not particularly fair or easily accessible.

Currently, the stay of proceedings brought about by the filing of a proposal only protects the debtor against unsecured creditors such as suppliers or employees.

• (1610)

On the other hand, secured creditors such as banks, financial institutions, governments, equipment lessors, landlords, etc., remain free to claim the reimbursement of the debts or to exercise other remedies such as having a receiver appointed to realize their security interest.

For businesses trying to rationalize their operations or to restructure their debt, this type of unilateral action on the part of some creditors can make rationalization very difficult, if not impossible.

[*English*]

As legislators we have a far broader constituency to whom we must be accountable. That is the people of Canada. That is why we all share a responsibility to ensure that Bill C-22 achieves its myriad objectives quickly and effectively.

The vast majority of the recommendations suggested by the standing committee during pre-study are most welcome. In particular I can say to the hon. member for Cardigan that we welcome the recommendation concerning the situation of, as the hon. Flora Macdonald used to say, farmers and fishers. We can give a commitment that very soon, upon the proclamation of this act, a task force will be set in place to develop a consensus among all the stakeholders so that this problem can be properly addressed.

Government Orders

I wish to associate myself with the positive words of the minister yesterday when he congratulated the members of the standing committee for their excellent work during pre-study.

The recommendations suggested by the standing committee would have the effect of clarifying the rights, responsibilities and obligations of debtors, creditors and receivers in instances of bankruptcy and insolvency. They have been given full consideration by the minister. It is clear that many of them will significantly improve the bill.

The progressive approach to consumer bankruptcies that characterizes Bill C-22 reflects this government's concern that the emphasis on rehabilitation extend not just to business. The consumer provisions we are proposing, which will have the effect of providing individuals in financial difficulty with more breathing space in which to reorganize their affairs, are long awaited ones.

So too are the provisions that would allow a debtor to negotiate with creditors to pay less than the total amount of his or her debt owing and to reschedule payments over a longer period.

Faced with the alternative of forcing the debtor into personal bankruptcy and the likelihood of not seeing any compensation at all, most creditors will be glad for an option that provides some prospect for a return on their dollar. Should personal bankruptcy be the only real option open to the unfortunate debtor, our proposals would provide far easier access to affordable and expedient administrative procedures.

As the standing committee acknowledged during pre-study, these measures will make it easier for bankrupt individuals to get back on their feet and start contributing fully to society once more.

[*Translation*]

Mr. Speaker, I would now like to touch on a rather controversial aspect of this long awaited reform of the Bankruptcy Act. I am referring, of course, to the wage payment protection. Needless to say that the existing legislation is not particularly fair to the workers.

In fact, not only do they find themselves out of a job following a bankruptcy, but more often than not they cannot get their former employer to pay them the wages owed to them and other benefits they are entitled to.