

Jones presses province on Abitibi severance issue

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It seems more and more likely the former operator of the Grand FallsWindsor paper mill may be heading for bankruptcy.

Armed with that news, Liberal Leader Yvonne Jones rose in the House of Assembly again Wednesday to ask the provincial government what it can do to help protect severance payments for the recently laid off workers.

"AbitibiBowater announced this morning that their latest plan to swap old debt for new debt has failed," she began. "And they've also indicated ... they're unable to file their annual financial statements."

Justice Minister Tom Marshall said the province, like the workers, is still playing wait and see.

"There's no indication of what the company's next step (is)," he said, noting the company has a number of options to seek protection under either the Canadian or American bankruptcy acts.

" There are provisions in the Canadian Bankruptcy and Insolvency Act where there is some protection for severance under the federal government's WEPPA (Wage Earner Protection Program Act) program which could provide protection up to \$3,000, but apart from that, severance is not a secured debt under the legislation," said Marshall.

When Jones pressed Marshall on what the province could do, he informed her that legislation is federal and out of the province's jurisdiction.