

*Government Orders*

when they want to protect their interest because I am faced with lobbying from them all of the time.

When I understand their concerns, I understand them well. I am also able to judge the validity of the concerns. I think that my friend from Dartmouth probably has the situation in hand in a more appropriate fashion than the minister and his parliamentary secretary who seem to swallow the whole problem of the banks, holus-bolus, in full, *in toto*.

I cannot understand why they would do that when even my friend from Nickel Belt understands them, and understands them well. I want to tell the parliamentary secretary—he left—but I want to put it on the record that my friend from Nickel Belt gets along exceptionally well with the banks. He was sitting beside Helen Sinclair for the last period of time in the finance committee passing the Bank Act and the insurance act, and taking instructions and help from the bankers.

He knows them well. He understands them, and he knows where they are coming from. We all know where they are coming from. The fact of the matter is that there are a number of problems in bankruptcies. I want to go over them.

I was nominated as a critic for this party when we were in opposition. During the period 1982 to 1984, there was a great deal of negotiation in connection with a bankruptcy and insolvency act.

Part of the problem developed from the Landry commission that, like all of these commissions, decided to talk about some kind of a fund. After some considerable negotiation, it was agreed on all sides that Bill C-17 be presented with a super priority. That was moving along very well in committee until a certain leader decided to take a walk in the snow.

That led to a certain convention and that led to a certain political party that was then the government going to the country and finding their popularity was a mile wide and an inch deep when they swam in the swimming pool.

Consequently in 1984 that act died on the Order Paper. Unfortunately it is only now, many years later that we bring it up again.

There are five basic issues in a bankruptcy. First of all, there is the issue of receivers. Right now, if a receiver is appointed, there is no law. He walks in. He takes over under the terms of the security agreement. If the security agreement is breached, somebody can start a lawsuit, but essentially the receiver takes over under the terms of the security agreement.

There it is. The effect of this act is to bring receivers into the insolvency legislation. That is very important. It must be done and it is about time.

The second thing is that there has to be something done in our bankruptcy law that has been required for a long time to deal with reorganizations where companies are in deep financial trouble. Can they reorganize, can we have arrangements with creditors that work? This bill again attempts to do that and does it very well.

Some of the suggestions the committee gave will make it work even better, and I am sure the minister will accept those.

The third thing is the question of revindication. When a manufacturer or processor sells something and does not get paid, in the very short period between when he delivers the goods and insolvency or receivership of some kind, under this bill he is able to go and get his goods back if he can identify them and they have not been further processed. That is probably a good thing.

I want to point out that that is a super priority. That is a super priority. All right. Good super priority.

The third issue has been the question of Crown priorities. Over a period of time, the Crown has been bit by bit putting its nose into insolvency so that it can be first in line. The Crown wants to be a super priority on income tax, on unemployment insurance, on Canada Pension and on one fee after another.

• (1640)

The provinces have super priorities on Workers' Compensation premiums and everybody wants a priority there. Under Bill C-17, those priorities were given up by the Crown. The Crown became an ordinary creditor. Under this bill, only the federal Crown on income tax deductions and on UIC and on Canada Pension keeps its priorities. Now the provincial Crown gets shoved down to the basement but the federal Crown somehow decides to keep its super priority.