

*Government Orders*

**Mr. Ron MacDonald (Dartmouth):** Mr. Speaker, first of all I want to thank the hon. member for allowing my colleague from Prince Edward Island to speak ahead of him and for the patience of the Chair in sorting out that new speaking order.

I do not really have a great deal to quarrel with in the interpretation of most of the issues in the Bankruptcy Act or Bill C-22 as put forward by my hon. colleague from Alberta.

I do have some difficulty in allowing him to sort of buy holus-bolus and swallow hook line and sinker the line from the Canadian financial institutions, most particularly the banks.

We have gone through this many times. I have spoken to the parliamentary secretary. I have spoken to officials in the department. I have spoken to the minister. I have indicated that the banks came in at the beginning of this whole process when we did pre-study and told us two things. There is another provision in here which is a very good provision and it is one that I support whole-heartedly. It is on revindication of goods.

We all remember it, anybody who was at that committee. The revindication process says that if goods are sold within 30 days of a bankruptcy the supplier of those goods has a right to go in and reclaim the goods.

Prior to this in the old bill those goods would have been there and they would not have been revindicated. They could not get them back. Those goods would have been part of the assets that were liquidated by the bank to realize on their security. That is what would happen.

We heard early on that the banks were concerned about two things. The first was that the revindication was going to cause a credit crunch. That is what the banks said. We told them that we did not believe them for a minute. We proved it to them through the hearings. We proved it to everybody who was there. We got officials in from Quebec and asked them how the civil law was being interpreted in Quebec because they have a revindication in the province of Quebec which perhaps does not go as far. The bankers told us two things. They told us that if we allowed revindication there would be a credit crunch. Second, they told us if we allowed a super priority there would be a credit crunch.

We quickly disrobed the bankers and saw them stand-

ing naked without anything to back them up. After we spoke to officials from Quebec we found out there was no credit crunch in Quebec on revindication. They dropped their objection and turned their full guns on super priority.

As quickly as they dropped their objections when they were found out to be not factual, the government, the minister, the parliamentary secretary and everybody else have swallowed that if we put in a super priority all of a sudden there will be a credit crunch there.

We cannot have it both ways. The banks were found not to be truthful in their threats of a credit crunch on revindication, and thank goodness for that because it is still in the bill and it is a very good proposal. What in the name of goodness would lead the parliamentary secretary to believe that the banks' ominous predictions of massive credit crunch are going to be indeed the case if we go through with super priority.

We are opposed on this side to a tax. The member opposite was opposed earlier in the year to a tax. I think most members of this House are opposed to a tax.

What I want to ask the hon. parliamentary secretary is: Why believe the banks now? We know it was not the case in revindication. We know that the credit crunch was not the result of basically a super priority or a deemed trust situation a dozen years ago on source deductions owing.

I would like to find out what magical crystal ball he has looked into and why he now believes the banks when his own department and his own minister did not believe the banks and their ominous warnings on revindication.

**Mr. Edwards:** Mr. Speaker, I appreciate the intervention by the hon. member for Dartmouth who has made such a good contribution to this debate and who did such outstanding work in the pre-study by the standing committee.

I want to say first of all that it was a pleasure to yield to the member for Cardigan who is a good friend and who represents a remarkable area of this country wherein lie the roots of my wife's family and which I know rather well. I envy him his return to that fabled island.