

Government Orders

Crown, which puts it in a better position in many circumstances to absorb losses.

We have to understand that the effect of this legislation will be to contradict one of the other stated objectives of this government, which is to ensure that credit is readily available to businesses that wish to expand, invest in our economy and create jobs.

• (1750)

We were told by witnesses before the legislative committee that if financial institutions, including *caisse populaire*, cannot count on the assignment of an account receivable under a security agreement as collateral for the loan that they have extended, then they will have to require other guarantees. They are going to have to go to the small business operators and tell them that an account receivable of \$200,000 or \$500,000 or whatever it is, is not sufficient because the government can come in and grab that if they get into some kind of financial difficulty.

Therefore, they will require other kinds of guarantees. They will require personal guarantees. They will require other assets extended as collateral which the small business operator may not have and which, therefore, will limit credit, stop businesses from expanding and will defeat one of the stated purposes of this government which is to see that the economy expands and that jobs are created.

So, Madam Speaker, on the basis of the testimony that we had before the legislative committee and on the basis of reading some of some of the decisions of the courts of Canada on this case I can only support those witnesses that appeared before our committee and say that I am opposed to this legislation. I believe that it is a blunt instrument and that the government has to come in with much more sophisticated measures to enable it to recover what is owed to it in terms of unpaid source deductions.

I also want to reiterate that the retroactive aspect of this legislation is particularly reprehensible. The government presented flawed legislation to this House in 1987. I think the people of Canada had a right to rely on a court decision. Canadian taxpayers do not like retroactivity. Canadian voters, Canadian citizens, do not like retroactivity. They do not like it when the Government

of Canada uses its majority to overrule a court judgment which people, I believe, are entitled to rely upon.

When I was sitting in that legislative committee it was ironic to see the Conservative members who were elected in 1984 and again in 1988 on a platform of going to fight big government, of getting the heavy hand of government out of the affairs of the people of Canada, of standing up for the little guy, of protecting the interests of ordinary Canadians. Here we had the Conservative members of the committee ramming through this piece of legislation in the face of the unanimous testimony of the witnesses who appeared before us who were opposed to it and indicated to us what the deleterious effect of this legislation would be on businesses and the Canadian economy.

For the record I would like to point out that we had representatives before the committee from the Canadian Insolvency Association. We had, of course, representatives of the Federation *caisse populaire Desjardins*. There were also other communications sent to committee members on behalf of witnesses who could not make it to the committee and perhaps realized that it was hopeless because the Conservative majority was in no mood to listen. They sent written submissions to the committee, which I—

[*Translation*]

And I would bet anything that government members did not even bother to read it.

[*English*]

Again, I find it very ironic that the government members, who I am sure go to their constituents every weekend and tell them how they are there to fight for their interests and to protect the little guy, the ordinary taxpayers of Canada, could support legislation of this nature which, on the basis of the evidence before us, is clearly flawed.

Madam Deputy Speaker: Questions or comments? The hon. member for Essex—Windsor.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, first I would like very much to congratulate my colleague from Saint Henri—Westmount for a good speech and for an excellent fight within the legislative committee. I have not talked about that in our discussions here in the House. There is no question that the member for Saint Henri—Westmount was extremely active in putting forward his concerns on this piece of legislation. He made it quite clear to Conservatives on