

right and there is no wrong when it comes to priorities with respect to who is going to take the assets of an insolvency or a bankruptcy. We have to make a choice. That is the question. How are those assets to be distributed in an equitable and a fair manner? For reasons which I stated in 1981, our Party has supported the whole notion of super priority. I point out to you, Mr. Speaker, and to other Members in the House that the notion of super priority is not new.

Super priority has been in the Bank Act under what was known as Section 88.5 since I can remember. I now believe it is Section 271. When the banks, prior to 1967, wanted to realize upon the securities, they had to pay the workers. That provision is still in the Bank Act. The whole notion of super priority is not something that really concerns me. But there were certain limitations on what the bank could do, as Hon. Members will recall, with respect to accounts receivable and not really with respect to fixed assets or land.

I must tell the Minister that, as a result of representations made to me and to the committee, there are certain problems about which I am very concerned, namely, super priority as it affects real estate. I think there probably should be a pecking order. This was something suggested by Mr. Goldstein when he testified before our committee with respect to current assets, fixed assets, and real estate. Why it is so important with respect to real estate is that people are entitled in the provinces to rely on a registry office system. They are entitled to take a look in the registry office at the books and to make their judgments based upon what is in public documents. I can foresee circumstances where, if real estate is not exempt, we could get ourselves into some serious trouble. But I am not an expert in this particular matter. I am prepared to listen to experts. I want to hear what the Canadian Bar Association has to say with respect to this. I want to hear what the Insolvency Association of Canada has to say. I am sure the Minister will have an open mind so that we can make this particular area, super priority, a workable feature in this Bill.

There is one other area that gives me concern with respect to super priority, and that is, the stipulated amount of \$4,000. We have had a great deal of criticism with respect to that, especially concerning labour intensive industries. Again, I am very anxious to hear what witnesses will have to say. I can say that our Party has an open mind with respect to the quantum amount.

There is one other area that gives me some personal concern. It has to do with the right of suppliers to take their goods within ten days of an insolvency. I understand the rationale for that, but I am not sure one can set an arbitrary date. I know that under the law of the provinces title passes under the Sale of Goods Act at a certain point in time, usually at the time the contract is entered into or on other occasions at the time of the delivery of the goods. However, what I am really concerned about is the intermingling of goods. How can you say to a person, who might have sold his goods nine days prior to the insolvency, that he can have those goods back, but say to another person who sold his goods 15 days before that he

cannot do so? I want to hear also what experts have to say concerning whether or not this is commercially workable.

There are so many areas in this long and complex Bill that I would like to speak about, but I will not do so today because I do not think it is necessarily appropriate. What I want to tell the House, the Minister and the country is that there is an urgent need, in my view, to pass new insolvency legislation. The Minister will know from our conduct in the past that we as a Party have done absolutely nothing to obstruct this Bill. As a matter of fact, the converse has taken place. We want to see this Bill passed into legislation. We want it to be a reality. The only thing I ask the Minister is to keep a very open mind on many of the amendments which this Party will put forward so that all of us in this House can make a significant contribution on an important piece of economic and social legislation.

My friend and colleague from Bruce-Grey will be speaking today concerning certain important features involved in the amendments which the Minister will present dealing with farmers and fishermen. I just want to say that I want to give the Minister some notice that there are certain provisions on court formulated arrangements as they appear in Section 120, on which we will be asking for certain changes. We note under Section 120 that if an insolvency exceeds \$1 million, the state has an interest in it and therefore the court has certain powers which it would not have in a private insolvency. I think quite frankly—and this may sound ludicrous to some people—that \$1 million is far too low. It probably should be closer to \$5 million. The truth of the matter is that insolvencies of \$1 million right now are commonplace. I applaud what the Government is trying to do. For example, if a fishing village is going down as a result of the insolvency of a fish-packing plant and there is more than \$5 million involved, there should be some type of public interest in it.

● (1550)

I will make certain representations with respect to the amount or the quantum being increased. I will also put forward some amendments with respect to what should be the power of the court as it affects matters of insolvency in excess of \$1 million, \$5 million or whatever figure is set. These matters are important because I think the court needs guidance.

I practised in the courts for 15 years. One of the criticisms of judges about legislators was that we never said what we thought. We have a duty to be precise. We have a duty to know our own minds. I do not see in this particular area of insolvency the requisite guidance which ought to be given to the court. I know some people practise civil law, however, I come from a common law jurisdiction and I admire precision. As a legislator I want to ensure that the courts understand what is intended by Parliament.

In conclusion, our Party will co-operate in every way. I hope we are not deluding ourselves. I hope we make new insolvency legislation a reality. I say to people who want to testify before the committee that they are welcome. There are many areas in which legislators have to be educated. If we are doing some-