As I have said, we have done everything to co-operate in this regard and I want to see this Bill passed with refinements and amendments. I hope that the Minister is receptive to certain changes to particular measures in the Bill. I hope that it is made law because of its social importance.

Let me give an illustration of why it is socially and economically important. Commerce and the means of banking have changed very dramatically. Until the mid-1960s we were regulated by the Bank Act. Bankruptcies had a certain significance which they do not have today.

Insolvency means going broke. There are three ways of going broke: by formally being declared bankrupt or being petitioned into bankruptcy; by receivership by which the creditor, through a floating charge debenture, is able to realize upon the security of the debtor; and, finally, by simply closing the doors of a business.

The fact is that until the change in the Bank Act in the mid-1960s, banks could only take certain action. According to Section 88 with respect to security, banks were only entitled to take accounts receivable and inventory. Unless there was a default, they could not get any other security. However, with the advent of the change in the Bank Act and the new commercial instrument which is now called the floating charge debenture, a debtor in a commercial enterprise is tied up lock, stock and barrel. Unfortunately, the rights of debtors and unsecured creditors are not sufficiently protected.

This is a lengthy Bill which consists of over 300 pages. If I were asked what the most important pages were, I would say that in my view the five pages pertaining to receiverships represent the most significant commercial advancement that we have made. The reality is that all the big insolvencies in Canada today are not bankruptcies. Many people are not petitioned into bankruptcies but go into bankruptcy in order to extinguish their own liability.

What takes place today is that when a bank calls a note, it realizes upon its security, but not by way of the bankruptcy but by way of a floating charge debenture, which is the chief means by which commercial lenders realize upon their security.

People who are in a secured lending role have certain obligations. Some of the important and beneficial measures in this Bill concern the provisions of Clause 355 under receiverships, which make it incumbent for a creditor to act honestly, in good faith and to deal with the property of a debtor in a commercially reasonable manner. We all know of situations where that has not happened.

I am not talking about the large firms but, regrettably, there are receivers who have acted to the detriment not only of the debtor but also of the unsecured creditor. Items have been sold as if at a fire sale, which has caused, quite properly, a tremendous amount of bitterness to the debtor because he did not receive what was commercially worthwhile. In other words, he did not get credit for the amount of money that should have been due if the receiver had acted in an honest and commercially reasonable manner.

I applaud this particular provision with respect to receiverships. However, there are certain matters with respect to receiverships that I very strongly oppose. One of them is not with respect to the powers of the court to intercede under the provisions of Section 356.2, which I think are good, but with respect to the emasculating provision in subsection 4 which, as I see it, limits the courts' jurisdiction. I hope the Minister—and I have brought this point forward on a number of occasions, and Mr. Goldstein who appeared before our committee was a very impressive individual—will take a look at the provisions of Section 356.4(*a*). That is the provision whereby, in order for the court to intercede, the order would have to affect a creditor materially and particularly. That is a very important emasculating feature of some of the good provisions that are in this Act as it affects receivership. I will be saying more about it in committee, but it is one of my prime concerns.

• (1540)

There are certain matters that I find good about the Bill, Mr. Speaker. I want to speak about the Bill in terms of the matters that I think are socially important. I applaud the abolition of Crown priority. The existence of this priority in the present Act has served, in my view, as the worst disincentive to ordinary creditors becoming involved in a bankruptcy. Presently, creditors do not work to maximize the realization on the assets because the fruits of their toil are applied to Crown assets. I think it is a significant advance with respect to this Bill that we see the abolition of Crown priority.

I am very happy to see consumer bankruptcies treated very much differently from commercial bankruptcies. There is a world of difference between them. In consumer bankruptcies there is a social ingredient that is very important. Anyone who has been to Osgoode Hall in Toronto or has gone to Montreal on discharge day and watched the judicial process with respect to consumer bankruptcies knows that it is just a farce. I am glad to see that that is to be stopped. We are still going to protect the creditor. If there is any wrong-doing by the debtor who is looking for a discharge, the creditor will still have a right to intercede. Otherwise, it will be automatic, and that deals with the realities.

I think also that the consumer arrangements are important. What we might find is that the impoverished debtor will retain a certain sense of self-respect. Instead of declaring bankruptcy with the arrangements that can be made, it may very well be that he would pay off a certain portion of the debt and maintain his own respect rather than declare bankruptcy. There is not the social stigma of bankruptcy in 1984 that there was in days gone by.

Probably two of the matters that will cause the most debate when we get the Bill to committee and that have caused the most debate so far is the question of super priority. I can tell you, Mr. Speaker, that to some of the Members of our caucus to whom I spoke with respect to super priority—and I am talking about the time the insolvency of Maislin occurred and the Bank of Commerce bounced workers' cheques of about $12 million—the question was of great significance. There is no