

Guarantee of Loans to Small Businesses

the scope of the civil law of the province of Quebec, which does not approve chattel mortgages. Perhaps the minister would offer some explanation how it is envisaged that borrowers in the province of Quebec may enjoy the privileges of this clause notwithstanding this provision of provincial law.

Mr. Fleming (Eglinton): We cannot change the law of Quebec and we do not intend to attempt it. It will be within the power of the banks to take such security offered by an applicant within the terms of clause 8 as is permissible under the law of the province.

Mr. Crestohl: The minister will agree, then, that borrowers in the province of Quebec will not have the latitude in offering securities or guarantees as those who live in other provinces.

Mr. Fleming (Eglinton): May I tell the hon. member that there is no difference in that respect from the situation which exists in the ordinary practice of bank lending today. The Bank Act was amended in 1954 to permit the banks to lend on the security of chattel mortgages. If, as the hon. member says, that was not effective in Quebec that did not impede parliament from legislating to permit the banks to make loans on that security elsewhere. The position is the same under the clause of this bill which we are now discussing.

Mr. Crestohl: I appreciate that, but this is not the first time the people in the province of Quebec are facing a difficulty which does not exist for those who live in other provinces, and I feel that borrowers in the province of Quebec should somehow be permitted to be able to pledge their chattels in order to borrow money, though I do not see how it could be done under this act.

(Translation):

Mr. Dorion: Mr. Chairman, I believe that the hon. member has misconstrued the signification of this clause. Banks come under federal jurisdiction, and I do not think that the civil code of the province of Quebec can interfere with the Bank Act and the rules enacted under it.

(Text):

Mr. Crestohl: I must respectfully differ from the hon. minister. It is certainly true that no legislation of this parliament can invade the rights of property in the province of Quebec, for that would certainly be in conflict with the British North America Act and the rights of the province.

Clause agreed to.

An hon. Member: Ten o'clock.

Mr. Fleming (Eglinton): Could we finish these remaining clauses?

Mr. Churchill: Would the committee consent to our continuing for a few minutes?

Mr. Chevrier: So far as I am concerned, on behalf of our party there is certainly no objection to continuing in order that we may get this measure through.

Clauses 9 to 11 inclusive agreed to.

On clause 12—*Coming into force.*

Mr. Howard: Can the minister give us some indication whether it will take much time before the regulations are adopted and submitted to His Excellency? Could he give us any indication when they will be promulgated?

Mr. Fleming (Eglinton): Work has been going forward on the regulations and we expect to be in a position to promulgate the regulations almost as soon as the bill has been adopted and has come into effect. So far as proclamation is concerned, it will be necessary to allow time for copies of the measure and the regulations to reach the various branch offices of the banks of Canada. But I am hopeful that if this measure can be expedited through the two houses it will very soon be proclaimed and the regulations promulgated to assure that the provisions of the bill are available to small businesses just as quickly as possible.

Clause agreed to.

Title agreed to.

Bill reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire from the house leader what the business will be for tomorrow and the next day?

Mr. Churchill: Tomorrow, following third reading of the bill we have just reported, we will take Bill No. C-45, which was introduced today, to provide for the continuation of the operation of the railways. If that is concluded, then we would continue the debate on the resolution in the name of the Minister of Labour dealing with the subject of technical and vocational training.

It being four minutes past ten o'clock the house adjourned, without question put, pursuant to standing order.