

very nature of leasing and banking institutions. The debate was a long and serious one and it really dealt with the heart of the matter. We were really concerned that the banks might conclude leasing arrangements as regards household appliances or goods, whether refrigerators, TV sets and so on.

● (1250)

Hon. members considered the impact that such a practice would have on the new commercial habits of the small businessmen and also on the use of consumer credit. If I remember correctly, and members of the committee will correct me if I am wrong, this was one of the basic concerns of the members. If hon. members who did not attend the committee proceedings, were to read the minutes of the *Votes and proceedings* they would be convinced of the merit of the concern expressed by committee members in view of the competition which could result for small businesses and in view also of the changes in the fundamental habits of consumers.

In order to lay those concerns to rest, the government amended section 173(1)(j) in order to prevent a bank from engaging in financial leasing of personal property. I believe that the great majority of the committee members were in favour of this amendment. Another aspect of financial leasing which was discussed extensively, once again in principle, is the matter of financial leasing of cars. Therefore, in this instance also the government proposed an amendment to the act in order to prevent banks from engaging directly in the financial leasing of motor vehicles designed to be used primarily on public highways. Clause 173 of the act was amended to prevent banks from directly engaging in financial leasing of motor vehicles holding a permit to be used on public highways and whose gross weight is under 21 metric tons. In this instance again this amendment was introduced as a result of the governments concern over the impact on this market of the participation of the banks. It is quite obvious that in the next few years, major changes will occur in the sale and financing of passenger vehicles or light trucks. However, banks should be authorized to accept these leases as collateral or to buy them or to accept their transfer. Otherwise this would prevent the small and medium-sized car dealers from resorting to a source of financing which they are using at the present time. That is, Mr. Speaker, the significance of the amendment to clause 173 brought in the standing committee.

As a result of the work done by the Senate Committee on Banking, Trade and Commerce, we have learned recently that the contents of Bill C-6 as amended could prevent banks from renting items such as farm, forestry, mining mobile equipment and others, because even if those items are not usually sold by automobile dealers, they may have to be registered in some provinces to travel on public roads.

The amendment which I introduced, and the members of the committee will remember that it was briefly discussed during the last meeting of the committee in October, I believe, is

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aimed at preventing banks from renting the kinds of vehicles sold by automobile dealers without going through credit facilities which can be convenient for both the manufacturers and purchasers of special vehicles that are not distributed through automobile and truck dealers.

I have carefully considered the content and meaning of this amendment so there be no doubt as to its restrictive nature and the fact that whatever opportunities it provides are only intended to deal with specific situations, groups and businessmen who, had banks been denied that kind of financing, would have had serious trouble meeting instalments on their trucks or heavy equipment for lumbering or other types of work.

The amendment takes out the following phrase "which may require licence plates on public roads—"

The phrasing of subparagraph (c)(2), the definition of bank credit company on page 208, paragraph 193(1) in the October new reimpression, which is the one which came out of the committee, adds a definition of motorized vehicles, specifying what types banks will not be allowed to rent out.

The definition of the motorized vehicle includes "used mainly on public roads for the transportation of persons and goods", to the exclusion of such articles as farm equipment which are not primarily used for the conveyance of persons. Specialized equipment is used for felling trees and moving timber rather than to transport people. Heavy construction equipment, for example, is not generally used along public ways or distributed by car agencies but it may have to carry licence plates on public highways, pursuant to the law in effect in various provinces.

Besides a particular exclusion is made for vehicles which are essentially used on public highways but which are not distributed through car agencies.

This exclusion, Mr. Speaker, deals with trucks used for a particular purpose, for example, fire engines, utility trucks which may be used by such companies as Bell Canada, Hydro Ontario or Hydro Quebec, etc—

**Miss Bégin:**—municipalities.

**Mr. Bussi eres:**—municipalities, as the Minister of National Health and Welfare (Miss Bégin) says, school buses and others, which are assembled by small independent manufacturers, who buy the frame through an agent, of course, mount the equipment, special or otherwise, and then sell the completed vehicle. Those who buy them need the banks to finance that—

**The Acting Speaker (Mr. Ethier):** Order. Was the Chair advised a while ago that each speaker would be allowed only 20 minutes, if I understood correctly?

**Some hon. Members:** Agreed.

**The Acting Speaker (Mr. Ethier):** It being one o'clock; I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.