

Industrial Development Bank Act

good impression of this country, its architecture and our ability to erect good buildings on good locations. I believe we have to continue to do so in order to attract people to return to Canada. If we provide them with good accommodations, good meals and good surroundings in the future, our tourist industry will keep improving year by year. We certainly cannot do so without spending a little money. I also point out that the money is lent by the Industrial Development Bank, not given away, and in nine cases out of ten it comes back to us. I urge the minister and the bank to give more attention to loans for the accommodation of the travelling public. I think that it will be money well spent on a continuing basis.

Having said a number of things that may not have been very complimentary, I should like to add a word of commendation for the work that has been done. Many excellent loans have been made in all the areas where the bank has operated. I am sure that industrial production in Canada has benefited greatly and the tourist industry itself has had a considerable amount of support from the I.D.B. However, the full potential of the bank has not yet been reached and I think that the provision of further funds under this bill should help. If the effect of the bill will be to increase the funds available, if these funds are used in a prompt and efficient manner, and if the bank gives priority to the purpose for which it has set up, then I am sure that some good will come out of the increase. I believe that we must be careful that the I.D.B. does not enter into competition with commercial lending institutions. If it follows the admonition given to it from time to time that it should be a lending institution of last resort, that it should take some risks and that it should consider the likelihood of success of these projects rather than the paper work involved, then this bill will serve some useful purpose. Therefore, I can do nothing else but support it.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I listened with interest to the minister's brief statement in introducing Bill C-164 to amend the Industrial Development Bank Act. First, may I say that the members of this party have always supported this legislation because we believed that this type of bank would provide capital for small industry and small business which was socially desirable and which was recommended largely on that account. I have some personal knowledge of the administration of the act

[Mr. Aiken.]

and of the benefit it has given to certain small industries in the constituency which I have the honour to represent.

I was very glad to hear the minister mention that in recent years the basis for loans to small business and for the development of the tourist industry has been somewhat widened. He said that the major purpose of these amendments is, first, to provide that in addition to the deputy minister of trade and commerce the deputy minister of industry shall be a member of the board. I think that is a good thing. I like to see co-ordination between the various departments and the lending agency concerned.

I should like to say to the previous speaker that I thought he was splitting hairs when he said the I.D.B. is not a bank. Under our law it operates as a bank and it does not make much difference whether it is called a bank or a lending agency. As the minister told us, it is a bank of last resort for those who cannot obtain credit through the normal channels. I have seen that happen on a number of occasions. I am sure that the hon. member for Victoria-Carleton (Mr. Fleming), who is looking at me now and who for a good many years, has been interested in the lumber business, knows what I am talking about in this respect because I have seen a number of smaller industries which would not have had an opportunity to get started had it not been for the advantages obtained under this act. Since that time they have made a success of their operations, but on occasion it required a little more faith than one can possibly get from the ordinary bank manager. These people had the courage and the knowledge necessary but they wanted a longer term loan and they wanted a little more confidence in their ability to operate the business for which they were applying for a loan.

The other important amendment raises the authorized capital of the bank from \$50 million to \$75 million, which I am sure we all support.

I was also glad to hear the minister say that efforts have been made in recent days to decentralize the operations of the bank. That was one of the criticisms I had. There was a tendency to feel that because of the lack of decentralization decisions were made by people who were not always on the spot to see the local circumstances and so on.

I am very glad to hear also of the division of the country into various regions for the purpose of the administration of the act and