

Industrial Development Bank Act

money back. If they can get their money back, so can a commercial lender. I say, therefore, this should not be the first concern of the Industrial Development Bank, but in many cases I am afraid it is.

I suggest that it is the possibility of the project being successful that counts and not the paper work. I think all or a major portion of the effort should be put into the aspect of the work concerned with getting the field officers' reports and going over the financial returns. Then if the project looks like a good thing for the community and for industrial development, why not carry it out? Even after approval is given to many of these projects there seems to be some delay and nobody can understand where it occurs. This is my criticism of the I.D.B. and I have been constant in this criticism for some time.

There must be paper work. Anybody who practices law or in the commercial field knows that funds must be protected. But surely this can be done in a minimal sort of way, because if the project is going to fail the government does not want the business back. The business is of no value except in its resale. What is really wanted is a producing industry to assist the economy. If a business is no good I say dump it rather than stalling it by a whole lot of red tape.

I should like to turn to another aspect of the bank and be more specific than general. I refer to the tourist industry as it relates to the work of the Industrial Development Bank. In 1961, as the minister pointed out, the work of the Industrial Development Bank was expanded to include tourist operations, hotels, motels and other lodgings. In 1961 only two loans were made totalling \$110,000. Presumably they were granted under some other category. But in 1962 after the act was changed 145 loans totalling \$8,470,000 were made by the Industrial Development Bank under the classification shown in the annual report as hotels, motels and other lodgings. In 1963, 126 loans were made. In 1964, 145 loans were made. This is the highest the program has ever gone. In 1965 the number of loans granted started to go down again and only 103 were made for a total of only \$4,803,000. In 1966, 130 loans totalling \$6,728,000 were made.

It is obvious from these figures that the largest boost in terms of loans and dollars was in 1962 when the act was changed. In spite of a 25 per cent increase in the total amount of loans and a 15 per cent increase in the total number of loans made by the Industrial Development Bank from 1962 to 1966,

the hotel, motel and lodgings item has decreased. In other words, while all other loans have increased by 25 per cent in respect of amount and 15 per cent in respect of number, those made to the tourist industry have decreased.

I think there is feeling in the tourist business once again that it is the forgotten industry. More than any other industry in this country the tourist business requires the stability of public support because it is a high risk business. Bad weather, external events, war scares and even Expo '67 can hurt this industry in any section of the country and on a national basis. My reference to Expo '67 is merely to point out that in this year a great deal of the tourist business was centred in one particular spot. While it was good for that area, it was not as good for many others. So the tourist business fluctuates up and down and the commercial lenders will not touch it with a ten-foot pole, as the saying goes, people in this industry just cannot get loans.

There is some assistance under the Small Businesses Loans Act for the improvement of existing premises and there is some under the Industrial Development Bank Act, but there is very little assistance of any other kind. The tourist industry is still the third largest producer of foreign currency, ranking after newsprint and wheat. The year 1966 showed the travel industry creeping very close to those two industries in volume. It is anticipated that the tourist business will bring in either this year or next, but almost certainly this year, \$1 billion in foreign currency from people visiting this country from abroad. We do not have the figures for 1967 and we should not really count this year because of our centennial celebrations and Expo. Undoubtedly the figures for this year will be somewhat unrelated and we have to set off against them the expenditures that were made in connection with Expo '67.

• (3:40 p.m.)

However, my point is that we were able to spend money in order to bring people to Canada this year and we must not let the tourist industry down in subsequent years. We have to assist our tourist operators in maintaining a high standard of modern accommodation, good food and surroundings comparable with what we showed our visitors in 1967. Expo will disappear to a large extent but apparently some other type of operation will be continued on its site. Visitors to Canada in 1967 were given a very