

Industrial Development Bank Act

rather difficult in these times of prevailing high interest rates.

The Minister of Finance (Mr. Sharp) should move amendments to this bill so that small businesses may reap greater benefits from it. I would like to thank him for what the Industrial Development Bank has done on behalf of industry, but I think the bank is now in a position to do more. In fact, the Industrial Development Bank is in a position to improve its relations in the field of industrial, loans because small industries certainly need capital. I know several small manufacturers who do not know where to apply to get capital. They do not know where to go. They are given all possible information, but when they apply to the Industrial Development Bank, they meet with a refusal, because they are not sufficiently organized.

We know how expensive it is to organize an industry. We know that machinery is four times more expensive than some fifteen years ago and that the cost of living has increased for industry as for all other sectors of the economy.

The price of building materials is so high that it is more and more expensive to put up buildings and manufactures and to equip them with machinery. The government should do its utmost to help small industrialists more and in a more logical way.

Big industrialists can always make ends meet; they seldom pay back their capital because it consists of shares they have sold, and when these shares are for fixed terms or when the time comes to recall them, new loans are obtained and new shares are created through other borrowings. On the other hand, small industrialists must pay back their capital, pay taxes on their capital and amortize it through heavy payments, which does not happen in large industries.

Large industries enjoy considerable protection because they almost never pay back their share capital whereas small industries must pay it all back.

That is the difference I wanted to emphasize and I would ask the Minister of Finance to consider that aspect of the economic factor from that point of view and to find some means, some solution to give more help to small industrialists.

● (8:40 p.m.)

[English]

Mr. Pascoe: Mr. Chairman, I wish to make a few remarks at this stage. As the hon. member for Peace River said, we reserve the

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right to speak more fully on second reading. What I say may sound parochial though the subject matter of my remarks is of national significance.

In his remarks the minister made it appear that the Industrial Development Bank, known as I.D.B., is the complete answer to the problem of financing and assisting small businesses. My experience in dealing with the problems of constituents who have small businesses does not bear out the minister's suggestion. I may cite some examples from my own constituency because what I say may have national application.

The minister said that the average loan was around \$50,000. Many small businesses do not require \$50,000 but would benefit from I.D.B. assistance. Let me give an example. A constituent not long ago wished to start a poultry farm, with the idea of enlarging it. First of course a start had to be made. I realize that the I.D.B. was set up for industrial purposes. In this booklet, the 1966 report of the president of the Industrial Development Bank, the following statement appears on page 3:

Today, the Bank has some 7,800 accounts on its books. The enterprises involved represent practically every facet of business endeavour including manufacturing, construction, tourist and recreational businesses, agriculture—

A poultry farm, I think, comes under the heading of agriculture.

I shall return to my constituent, about whom I was speaking previously. He wrote to me saying that he had plans, as well as large contracts, to deliver eggs. All that was needed was financing. I suggested that he should go to the regional of I.D.B. in Regina. He wrote back saying that if he were established the I.D.B. might help him to expand.

This publication which I hold in my hand, and to which I referred, says that loans have been granted to help persons to start businesses as well as to help others to modernize and expand existing businesses and enterprises. The point to which I wish to direct the minister's attention is that the booklet refers to industries being started. A poultry farm, if it were established as an efficient business, would be a small industry.

Other merchants who have written to me, asking how they can expand their businesses, have been directed by me to the I.D.B. In answers that I have had from them it has been made clear that they have had no satisfaction in obtaining help from the I.D.B.

The idea behind this proposal is good and I commend the minister on his statement. I wish to emphasize nevertheless that the I.D.B.