

Industrial Development Bank Act

designed primarily to serve the export market. Second, there is need for the development of industry to produce goods for consumption on the home market. So it appears to me we will get a double benefit from these appointments, and I am glad the parliamentary secretary has set me right.

Mr. Macdonald (Rosedale): On a point of order, Mr. Speaker, and as a simple matter of courtesy, I think the hon. gentlemen should refer to the minister as the Minister without Portfolio rather than parliamentary secretary.

Mr. Flemming: It is true I have referred to the minister as parliamentary secretary, but I do not think he needs help from anybody to set anyone straight. Perhaps he is not so thin-skinned as the hon. member who has just spoken.

I am pleased to learn there is a degree of decentralization. I know this exists in these various regions. A few minutes ago the hon. member for Parry Sound-Muskoka (Mr. Aiken) said that the Industrial Development Bank was a bank which lent money in circumstances beyond the ability of the regular chartered banks to cope with or operate. I think this is correct. To quote the phrase he used, it is considered to be a bank of last resort. Bearing this in mind, the fact that the bank has operated for so many years with so little loss, on a percentage basis, might speak well for its management. On the other hand, it is perhaps an indication that the conditions imposed have been just a little too tough.

The hon. member for Kootenay West (Mr. Herridge) tells us he knows of businesses which have come into being on account of help from the Industrial Development Bank. And so do I. To the extent of my knowledge, I am unaware of any bad debt which has been encountered, so it seems to me we are entitled to take a certain amount of satisfaction in the operations of this bank. In the next few minutes I will suggest a few things which in my opinion would improve things still further; they have to do with the Atlantic provinces, in particular.

I think it appropriate that emphasis should be placed on the so-called designated areas and that it should also be placed on small business loans. In the Atlantic provinces an undue proportion of our businesses are operating under both these general headings. It has always been my submission in connection with monetary policy that a distinction should be made between one part of Canada and another. Even before I came into this chamber I argued that it was unfair to

[Mr. Flemming.]

regions in Canada which were not experiencing inflation to apply the same principles as far as monetary policy is concerned as apply to regions where there is a good deal of inflation.

It seems to me that conditions have not changed and I therefore suggest to the Minister without Portfolio (Mr. Chrétien)—

Mr. Macdonald (Rosedale): Hear, hear.

Mr. Flemming:—that he take note of this contention. I believe it would be good policy and good business if there were a greater degree of leniency attached to the making of loans in some parts of Canada where the need is greater than in other parts. I have no hesitation in saying that I refer specifically to the Atlantic provinces when I make this statement. We have small businesses and we certainly have an undue proportion of designated areas. This is something which might well be considered by way of further amendment if the government in its wisdom decides to bring in such a provision.

As I have indicated, the Atlantic provinces have no inflation. However, at the present time we are following a policy in the monetary field which applies to the whole of the country, a policy which is uniform in its application. This is what I object to. I believe a greater leniency should be shown in connection with the Atlantic provinces than is shown in other parts of Canada where there is not so much need.

Mr. Chrétien: May I interrupt at this point simply to say that the bank does take account of the fact that a business is located in a designated area? I pointed this out in my speech.

Mr. Flemming: I thank the minister for that assurance; I am certainly very pleased to hear him make it.

There is one other point I would like to mention before I sit down. It concerns the requirements of the bank in connection with the security upon which loans are made. To my own certain knowledge there have been times when people have been discouraged from making application because of the fact that undue emphasis seemed to be placed on the legalities leading up to the loans themselves. I speak from knowledge when I say that loans which had been approved have been rendered impossible on account of the time lapse in searching titles. I know some people whose applications for an extension of their loan brought about a demand that the same search which had been made a year or