

*Industrial Development Bank Act*

ask ourselves whether the addition of the deputy minister of industry to the board of directors and the substitution of that deputy minister for the deputy minister of trade and commerce on the executive committee will have any effect on the operation of the I.D.B. I recognize that this change will bring the knowledge of the deputy minister to the deliberations of the bank and in some cases I assume this will be of assistance. However, aside from that I cannot visualize very much benefit arising from this addition. The whole thing seems to be a bit of a smokescreen. In fact, with the exception of the area development agency, where considerable activity is apparent, the job of the remainder of the Department of Industry is lost in obscurity for many of us. There is a great fear growing among industry and business in this country that the Department of Industry is developing into another massive red tape agency. There are forms to be filled out in triplicate which did not exist before. With particular regard to the administration of the Kennedy round tariff changes, the Department of Industry has not made any real contribution so far as we can see to the realm—

**Mr. Speaker:** Order, please. I do not wish to restrict the hon. member in his speech, but he has suggested that the debate on this bill opens up an opportunity to debate the Department of Industry and its operations. Having glanced at the bill I cannot come to that conclusion. It seems to me the purpose of this bill is to add a certain official, namely, the deputy minister of industry or his representative, to act as an official of the I.D.B. I doubt that this is wide enough to allow a general debate on the Department of Industry.

**Mr. Aiken:** I do not intend to debate the Department of Industry at any great length except as it is relevant to the I.D.B. and how it operates. That is what I was leading up to, but perhaps I should come to that now and then refer to the Department of Industry.

I was about to say that the attitudes adopted in the Department of Industry, about which undoubtedly the deputy minister has some knowledge and over which he must have some control, are not the types of attitudes we want brought to the Industrial Development Bank. The situation is bad enough as it is and more procedural road-blocks would represent the worst thing that could happen to the I.D.B.

[Mr. Aiken.]

• (3:30 p.m.)

There is at the present moment too much red tape in the bank. This is the tenor and burden of the remarks I am about to make. I have no reference at all to personalities because there are no names involved. But the person who holds the office of deputy minister of industry is added to the board. I see no particular benefit in this in view of the way in which the Department of Industry has developed to date. It is possible that the approach, knowledge and methods of operation of the department may become clearer to us and it may then be obvious that it will have something of benefit to bring to the Industrial Development Bank, but at this moment I can see very little use in it.

The Industrial Development Bank has a weakness in that it is oriented toward getting all the paper work done, all the mortgages, collateral chattel mortgages, leases, cross-leases, subleases and everything else in proper order. These are important in a sense because the bank does have to protect the public money that is lent. But even the minister's statement today told us that this is an agency of last resort to industry. This conforms to my own idea of the work of the Industrial Development Bank, namely, to provide funds to developing industries which cannot obtain them from normal sources in the commercial field.

I believe that the weakness of the Industrial Development Bank is that it does not attend to the major functions for which it was set up, the support of new industry or the expansion of existing industry. After the field work is carried out and approved I have often seen months go by before the paper work has been completed. I have in my office half a dozen files of cases where the field officers have looked at the project, found good justification for supporting it and have presumably made a recommendation, although these are not always available, but after the recommendation has been made time has gone by as innumerable forms are filled in and further questions are posed and answered. I have known of one or two applications in my own area where the whole project has fallen by the wayside while the people concerned have been waiting for the I.D.B. to complete its paper work.

This is what is wrong with calling it a bank. It is not a bank at all. This is a complete misnomer. It is really a lending agency and an agency of last resort. The approach so often taken is: We are a bank and must make sure that we will get our