

Industrial Development Bank Act

there a restriction that only the Bank of Canada can subscribe or is it possible for the public to subscribe? Has the minister any idea on whether the Canada Development Corporation will be permitted to subscribe in the future?

Mr. Chrétien: As I understand the bill, only the Bank of Canada can subscribe. However, the hon. member should keep in mind the fact that the operation of this bank is not necessarily a profit making one. The bank is there to help those who are in need of funds and cannot obtain them from other sources. It is not a bank which is in business to make money. So if the public wants to buy some shares and make no profit it is up to them, but I think only the Bank of Canada will be interested in doing that.

Mr. Leboe: Can the minister tell us whether or not the bank actually has made money?

Mr. Chrétien: According to the report it is making some money but in relation to the size and the nature of the loans it is a small amount.

Mr. Monteith: I assume that the question I put to the minister earlier in the form of a statement is correct in that the stock is only issued and paid for by the Bank of Canada as required so as to maintain the proper ratio to the loans made.

Mr. Chrétien: Yes, Mr. Chairman.

Mr. Monteith: I have one other question and I assume this is the only place where I can ask it. In the financial statement for the year 1965, other liabilities are listed at \$500,990. In 1966 this figure was reduced to \$411,659 but as of September 30, 1967 it is up to \$9,754,000 plus. Can the minister give us any reason for the tremendous increase in this figure?

Mr. Chrétien: Unfortunately I do not have this information at hand at the moment.

Mr. Monteith: Could the minister send a memo up to the gallery? I should like to point out that I think the minister should sit in the front row with his officials in front of him so he can answer these questions. The other night we ran into the same difficulty with another minister.

Mr. Chrétien: I think I will be in a position to give an answer to this question in a few minutes. May I suggest we go on with the other clauses, Mr. Chairman?

[Mr. Gilbert.]

Mr. Gilbert: Could the Minister without Portfolio tell us what is the range of the interest rates charged by the I.D.B. at present?

Mr. Chrétien: My information is that the interest rate charged on the latest loans was in the range of 8.5 per cent. The hon. member mentioned a few moments ago in his speech that he expected the bank to lend money at 10, 11 and 12 per cent. I have been informed that in the past the bank has never lent money at such rates.

Mr. Gilbert: Mr. Chairman, what I said was that probably in the future that is what the rate will be. The minister has told us that at present the interest rate is 8.5 per cent. Does he anticipate an increase in the interest rate similar to the increase in the interest rates presently charged by banks?

Mr. Chrétien: I cannot give the hon. member any assurance on that point because this is a matter of policy to be determined by the bank directors.

[Translation]

Mr. Ricard: I only have one or two questions for the minister.

A few moments ago, I think he said that the Industrial Development Bank was a non-profit organization. But the minister also said that the bank had made some profits. In which way does the department dispose of the profits of the Industrial Development Bank?

Mr. Chrétien: Well, the Industrial Development Bank has the same board of directors as the Bank of Canada. If profits are made, they must naturally be added to the assets of the bank and they are used for other financial operations within the bank. These funds are not disposed of in any other way.

[English]

Mr. Herridge: Mr. Chairman, I am not quite in order but I should like to put a question to the minister. It is not related directly to this clause but I think it will help fill the intermission. I would like the minister to indicate what can be done by the staff to inform persons interested in the activities of the bank. I am thinking of chambers of commerce, trade unions or other groups which would like to hear about the operations of the bank and the facilities it offers to particular groups, regions or districts.