

*Industrial Development Bank Act***BUSINESS OF THE HOUSE**REQUEST FOR ANSWERS TO QUESTIONS ON
ORDER PAPER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. When the Prime Minister is speaking to his colleagues about answering questions on the order paper I wonder if he would see whether arrangements can be made so that an answer can be given on Wednesday of this week to my starred question No. 618, concerning consideration of a parole for Steven Truscott.

Right Hon. L. B. Pearson (Prime Minister): I think we will have that ready by Wednesday, Mr. Speaker.

Mr. Eldon M. Woolliams (Bow River): As a supplementary question, would the Prime Minister also consider my starred question No. 569, placed on the order paper on October 30, referring to grain?

Mr. Pearson: October 30; is that the date?

Mr. Woolliams: Yes.

Mr. Pearson: I will try to get an answer to that.

Hon. R. A. Bell (Carleton): As a further supplementary question, when the Prime Minister is considering that would he also go back to September 25 and my starred question No. 387 of that date, relating to the rights of employees of the Senate and the House of Commons?

Mr. Pearson: Mr. Speaker, I do not know whether this is a point of order, but it might be desirable for certain hon. members, who have asked questions and are wondering why there is delay in getting answers, to get in touch with the minister concerned, who will be able to explain to them in detail how long it will take to answer some of the questions and how many thousands of dollars are involved in answering them.

Mr. Bell (Carleton): Mr. Speaker, the particular question to which I refer requires only an answer of yes or no.

INDUSTRIAL DEVELOPMENT BANK ACT
AMENDMENTS INCREASING CAPITAL AND
BORROWING AUTHORITY, ETC.

Hon. Jean Chrétien (for the Minister of Finance) moved the second reading of Bill No. C-164, to amend the Industrial Development Bank Act.

[Mr. Pepin.]

[Translation]

He said: Mr. Speaker, in the twenty-three years in which it has been in operation the Industrial Development Bank has made a significant contribution to the development of small and medium-size business in Canada. Over this period it has authorized over \$965,000,000 in loans to more than 14,000 customers.

The bank was established in 1944 to provide a source of medium and long-term finance for businesses unable to raise funds from other sources on reasonable terms and conditions, with particular consideration to be given to the financing problems of small enterprises.

The statute continues to contain the fundamental stipulation that the bank is a lender of last resort, that is, that an applicant must demonstrate that financing cannot be obtained from conventional sources on reasonable terms and conditions. The other major criterion set forth in the act is that the amount to be invested in the enterprise by persons other than the bank and the character of that investment must be such as to afford the bank reasonable protection. The degree of equity and, of course, the degree of managerial capacity in the enterprise are the basic factors which determine whether it will prosper and in so doing contribute to the welfare of the national and local economy as well as the owner or owners.

Operating within this frame of reference the bank has, over the years, fulfilled parliament's desire that it should give particular consideration to the financing problems of small enterprises. In the eleven months ending August 1967, for example, of the nearly 2,000 loans made, 46 per cent by number were for not more than \$25,000 and a further 27 per cent by number were for \$50,000 or less. Over the whole period of its existence, 90 per cent of the loans authorized have been for \$100,000 or less, 70 per cent for \$50,000 or less and 50 per cent for \$25,000 or less.

[English]

Originally the I.D.B. was empowered to lend only to manufacturing concerns, but successive amendments to the act have enlarged its scope of operations and since 1961 the I.D.B. has been permitted to lend to virtually every kind of business enterprise. Forty eight per cent of the total amount of loans authorized in the fiscal year 1966 went to 16 different categories of manufacturing. Some other types of businesses and the percentage of the total they accounted for were