

*Industrial Development Bank Act*

but such rates as were in force, for instance, when the Municipal Improvements Assistance Act was in force.

**Mr. George H. Hees (Broadview):** I should like to ask the Prime Minister a question. Did the government of New Brunswick not specifically ask the federal government to back its Beechwood project bonds so it could obtain money considerably cheaper than otherwise?

**Mr. St. Laurent (Quebec East):** I do not think that is so, Mr. Speaker. I would not want to be positive, because there have been so many different forms of requests for assistance that from memory I would not want to be absolutely positive; but I have no recollection that there was any suggestion at any time that the federal government, to use the expression of the hon. gentleman, back the bonds of the province of New Brunswick.

**INDUSTRIAL DEVELOPMENT BANK ACT****AMENDMENTS TO ENLARGE CLASSES  
OF LOANS, ETC.**

The house resumed, from Monday, May 7, consideration in committee of Bill No. 165, to amend the Industrial Development Bank Act—Mr. Harris—Mr. Robinson (Simcoe East) in the chair.

On clause 5—*Loans, investments and guarantees.*

**Mr. Hamilton (York West):** Mr. Chairman, I wonder whether the minister, or the parliamentary assistant, could inform the committee if it is the intention under this amendment, which reads—

—where in the opinion of the board or of an officer authorized for that purpose by the board . . .

—that such an officer would be designated at each of the offices of the company in Canada.

**Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance):** My hon. friend knows that under the present legislation each and every loan must be approved by the board of directors. It is thought that, as is the custom in the making of commercial bank loans, local offices should now be able to make the complete applications up to certain limits. Now, this legislation will permit the board to send down to its district offices directions as to the limits of their local lending authority. After they have completed a loan it will, of course, be passed on from the district office to the general manager and in turn to the board of directors.

**Mr. Hamilton (York West):** Does this mean that each local office manager will have a certain amount of discretionary power to approve a loan application at his level without submitting it to the head office?

**Mr. Benidickson:** That is correct, within certain limitations to be fixed.

**Mr. Hamilton (York West):** Can the parliamentary assistant give us any idea as to the limits which are allotted to the sub-offices of the bank? It seems to me that this amendment might be to no purpose whatsoever if in fact the discretionary limit of the bank branch manager were so low that there would be very few loans that he could actually make himself?

**Mr. Benidickson:** No. The act provides that this will be left to the discretion of the board of directors. My information is that they have not yet drafted their instructions in this respect. Naturally, they are awaiting the decision of this house as to their right to delegate.

**Mr. Hamilton (York West):** I should like to leave this thought with the parliamentary assistant, Mr. Chairman. Unless an adequate limit is allotted to the branch manager then we are going to be right back in the same position that existed before, and very little benefit will be obtained from this section. Certainly, if some of the limits that I have heard about, \$5,000 or something like that, are to be continued in the future, then obviously we shall get no benefit out of this part of the section whatsoever.

**Mr. Macdonnell:** Will the parliamentary assistant not agree that the tenor of the conversation which took place in the committee was that it was recognized that there should be real delegation and that it was thought we may expect it will be done in such a way as to give real power, not just a trivial delegation to the local representatives.

**Mr. Benidickson:** Would my hon. friend care to give us his own judgment as to the amount of delegation that he thinks would be appropriate in the circumstances? We have, of course, available to us the report of the bank. We know that 240 loans were authorized under the amount of \$25,000. That gives us a bit of a guide. In the loan area of \$5,000 and under only eleven credits have been authorized to date, so that an authorization limited to \$5,000 is not very important. Authorization in the area from \$1 to \$25,000, as I say, would have involved about 240 loans.

**Mr. Macdonnell:** I will give my opinion in general terms. I would have thought it should