

*Industrial Development Bank Act*

loan to an applicant. As I said, the function of the Industrial Development Bank is to be a lender of last resort for the benefit of the industrial development of the country. The government has designated areas in which the growth of industry is too slow. There should, therefore, be an incentive to the bank to lend money for development in these areas, and I think the bank does this.

**Mr. Monteith:** Mr. Chairman, did I understand the minister in closing the debate on second reading to say that one reason the deputy minister of industry was being put on the board of the bank was to help maintain the balance between civil service and public representation on the board?

**Mr. Chrétien:** No, Mr. Chairman, that is not what I said. I said that some people are appointed to the executive board from outside the civil service and others are appointed who are civil servants. Therefore, in order to keep the balance between them we decided to replace the deputy minister of trade and commerce with the deputy minister of industry. If we had appointed only the deputy minister of industry we would have lost the balance.

**Mr. Monteith:** In other words, Mr. Chairman, there would be too much civil servant influence if both deputy ministers were put on the board?

**Mr. Chrétien:** We need enough civil servants, but not too many.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Executive committee.*

**Mr. Bell (Carleton):** Mr. Chairman, I believe clause 3 is the one to which the minister was referring when he spoke of keeping the balance between appointments from the administration and those appointed from outside. Perhaps the minister would refresh my memory as to the exact composition of the executive committee. As I recollect, the directors who are members of the executive committee of the Bank of Canada are the governor, the deputy governor, the deputy minister of finance and one other. That would mean we have three inside and one outside. With the deputy minister of industry it will be four and one, and one other director selected by the board. This means four administration and two non-administration, if my recollection of the situation is correct.

[Mr. Chrétien.]

I am not prepared to concede, of course, that you can ever have too many civil servants. I think I represent more civil servants than any other member and I really do not think there are quite enough civil servants. But apart from that, I should like to see that the balance between administration and non-administration is kept equal.

**Mr. Chrétien:** I see in the report of the bank that those who are members of the executive committee of the Industrial Development Bank are Mr. Bryce, Mr. McIntosh, Mr. Taschereau and Mr. Warren. With the change Mr. Warren would be replaced by the deputy minister of industry, so we will have the same kind of board as we had before.

Clause agreed to.

On clause 4—*Alternate member.*

**The Chairman:** Shall clause 4 carry?

**Mr. Bell (Carleton):** Before clause 4 carries, Mr. Chairman, I should like to say that I think the minister has confirmed precisely what I said, namely, that there are four internal and two external members of the executive committee.

**Mr. Chrétien:** Yes, but if we had another civil servant the balance would be worse than it is now.

**Mr. Bell (Carleton):** I would not use that particular adjective in this connection.

Clause agreed to.

On clause 5—*Capitalization.*

**Mr. Monteith:** Mr. Chairman, this clause has to do with increasing the authorized capital. Would the minister give us a rundown of the principle in calling up the stock? I understand that by the end of 1965 shares had been issued amounting to \$38 million out of \$50 million. At the end of 1966 the figure was \$41 million. I refer to paid-up capital stock. As of September 30, 1967, the figure was \$44 million. There was an unused balance there of \$6 million. Five times that would give an additional lending power of \$30 million. I am not saying that the additional lending power requested should not be granted, but I am wondering what the principle is behind the issuing of this capital stock.

**Mr. Chrétien:** Mr. Chairman, I do not quite understand the hon. member's question. I said previously that the commitments of the