

*Industrial Development Bank Act*

1956 at the time of the Suez crisis and attended the House of Commons. I said to a friend of mine that I wanted to see what had happened in connection with the rebuilding of the slum areas. My wife and I were taken down to a slum area in a taxi. I said, "Let us get out here and walk around." It was not long before I met an old cockney lady who stopped to talk to me and tell me of her war experiences. She said she was born on that street, she would die on that street and no blooming Hitler was going to blow her out of there. She invited me in for a cup of tea and told me her long history. She said, "I have had a rough old time in life but I have a great deal to be grateful for". I said, "Madam, what have you got to be grateful for? You seem to live in very modest circumstances." She said, "What have I got to be grateful for?" She then told me that she lived in a land of freedom and had an opportunity to do things for other people. She then said, "I have a personal reason, sir. From the time I was 14 until the battle of Britain I had to take medicine for my bowels and I have not had to take any since."

I wish some of our young people would get that spirit and be grateful for the opportunities presented them in this country. With all the difficulties we have today, financial and otherwise, we are very fortunate to be Canadians. I do hope that even in this field the officials of the bank or the appropriate members of the staff will take the opportunity on occasion of informing local organizations of the functions of the bank and its efforts to provide capital for small industries and small businesses that cannot usually obtain capital from the ordinary banks, and the opportunities that exist for the development of our country. This is an agency which provides socially desirable capital for the development of any district by loans to industry or small business.

**Mr. John M. Reid (Kenora-Rainy River):**  
Mr. Speaker, I just want to take a few minutes of the time of the house to join with those members who have congratulated the officials of the Industrial Development Bank on the excellent job they have done over the years. At the same time, I should like to express a few criticisms I have of the bank to indicate the spheres in which I think improvement can be achieved. First of all, I congratulate the government upon taking the forward step of expanding the bank's authorized capital to \$75 million from \$50 million. I only hope that now, having given the bank

[Mr. Herridge.]

this additional capital, the Industrial Development Bank will utilize it in a fashion more in keeping with the 1960's and 1970's.

The Industrial Development Bank was set up in 1944. It seems to me that all the purposes, which the parliament of that time indicated should be fulfilled by the bank, have not been fulfilled. The reason for this is simple. There is always a conflict between the legislators and those who have to administer the legislation. Usually we do not object to officials taking some time to work out the difficulties which they encounter, but it seems to me that in 1967 the Industrial Development Bank should be taking a look around and expanding the services it provides, particularly to those who have come to it as a last resort.

One way in which I think the bank could expand its services would be to remove the existing restrictions on the type of loans it makes. As I understand the situation, the Industrial Development Bank makes loans for a maximum period of ten years and does not accept bonds. This situation imposes a drastic limit on the amount of financing a person or company can accept and also restricts the areas into which the bank might go. It seems to me that under the bank's present charter there is power to accept bonds and debentures from private companies as well as to extend the ten year period. I suggest that 20 years would be a more acceptable period of time, given the interest rate which the bank is now charging. I am told that their interest rate is now 8.5 per cent. It seems to me that any business which the bank might assist, having regard to an interest rate at that level plus the amount of the loan, has to be generating cash on a truly impressive scale. This type of business, one would think, would be looked after by the chartered banks but, as we are all aware, until the passage of the revised Bank Act they have not shown too much initiative in going into these areas.

• (4:00 p.m.)

Another point I should like to make is that several members have risen to suggest that the I.D.B. is not a bank but rather a funding agency of government. This may be true, Mr. Speaker, but in my interpretation of the bank's activities it is a bank. It treats its customers as a bank would and I am told by people who have applied and received loans from the I.D.B. that they undergo more investigation from the I.D.B. than from the more commercial lenders.