

## THE SENATE

Monday, February 14, 1949

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

### NEWFOUNDLAND-CANADA UNION BILL

#### FIRST READING

A message was received from the House of Commons with Bill 11, an Act to approve the Terms of Union of Newfoundland with Canada.

The bill was read the first time.

**The Hon. the Speaker:** When shall the bill be read the second time?

**Hon. Mr. Copp:** With leave of the Senate, next sitting.

### BANKRUPTCY BILL

#### FIRST READING

**Hon. Mr. Copp** presented Bill N, an Act respecting bankruptcy.

The bill was read the first time.

**The Hon. the Speaker:** When shall this bill be read the second time?

**Hon. Mr. Copp:** Next sitting.

### PENSION FUND SOCIETIES BILL

#### THIRD READING

**Hon. Mr. Copp (for Hon. Mr. Robertson)** moved the third reading of Bill D, an Act to amend the Pension Fund Societies Act.

The motion was agreed to, and the bill was read the third time, and passed.

### INDUSTRIAL DEVELOPMENT BANK BILL

#### SECOND READING

**Hon. Mr. Copp (for Hon. Mr. Robertson)** moved the second reading of Bill K, an Act to amend the Industrial Development Bank Act.

He said: Honourable senators, the honourable member from Cariboo has kindly consented to explain this bill.

**Hon. J. G. Turgeon:** Honourable senators, in rising to support the second reading of this bill, which is designed to amend the Industrial Development Act, I realize that it is a type of legislation which could provoke a great deal of discussion. I feel, however, that the major part of such a discussion would be in the form of questions and answers, followed

by whatever suggestions might be justified by the information elicited. The honourable the acting leader of the government (Hon. Mr. Copp) has informed me that when the bill has received second reading he will move that it be referred to the Standing Committee on Banking and Commerce. For that reason it is not my intention to explain the bill at length tonight or to make any urgent appeal for its passage.

While there may appear to be a conflict between the bill and the preamble of the Act which was assented to in August 1944 in reality there is none. The objective of the Act was to assist business enterprises of a certain nature which could not secure from ordinary sources the capital necessary for the commencement of operations. This bill is designed to help smaller industries and has particular reference to them.

The proposed legislation seeks to amend section 15 of the Industrial Development Bank Act by deleting the words "fifteen million dollars" and substituting therefor the words "twenty-five million dollars." Section 15 of the Act now provides that the aggregate amount of the loans or liabilities of the bank, as respects individual loans of more than \$200,000, must not exceed \$15 million. This bill proposes to increase this aggregate to \$25 million.

The increase in the capital cost of construction constitutes almost the entire reason for requesting this amendment. But in addition there is the fact that of the \$30 million currently authorized by the bank, \$13 million represent applications for loans, each of which is in excess of \$200,000, and \$17 million represent requests of less than \$200,000 each. By reason of payments, the figure of \$13 million was reduced to \$11 million; but it has recently gone back to approximately \$12 million. I would point out that as the bank is authorized to grant at any time \$100 million by way of assistance to industrial operations, under this bill \$75 million would remain to be applied completely to the smaller enterprises whose applications for credit are found to be justified and who are seeking less than \$200,000 each.

To bring the record up to date I may say, speaking merely in round figures, that up to September 30, 1948, after approximately four years of operation, 1,640 applications had been made to the Industrial Development Bank for assistance. Of these applications, 586 were granted, 519 were rejected as not justifiable, and approximately 500 were withdrawn, mainly because the applicants found that they could secure assistance elsewhere. In respect of the 586 applications which were approved, advances were made to the extent