

FISHERIES IMPROVEMENT LOANS ACT

BILL TO AMEND—SECOND READING

Hon. Donald A. McLean moved the second reading of Bill C-195, to amend the Fisheries Improvement Loans Act.

He said: Honourable senators, Bill C-195 comes to us from the other house, and it is an act to amend the Fisheries Improvement Loans Act. The bill introduces three specific amendments that are as follows:

1. The maximum of permissible individual loans is increased from \$10,000 to \$25,000.

2. The present lending period which expires on June 30, 1970 is to be extended to June 30, 1971.

3. The agreed volume of loans to which the Government guarantee applies is to be \$10 million in respect of loans made by chartered banks, and \$10 million in respect of loans made by other designated lenders.

Honourable senators will remember that the Fisheries Improvement Loans Act came into force in December 1955 for a period of three years, and, as a result of amendments from time to time thereafter, the lending period was extended to June 30, 1970. The intent of the legislation originally was, and continues to be, the extension of term credit to fishermen for a variety of fishing improvement projects.

The Fisheries Improvement Loans Act is modelled very closely after the Farm Improvement Loans Act, and changes in the latter have, as a rule, resulted in parallel changes being incorporated into the former.

A new lending period was recently added to the Farm Improvement Loans Act which will expire on June 30, 1971. The current lending period under the Fisheries Improvement Loans Act is due to expire on June 31, 1970, and as a result of the proposed amendment presently before you, it would be desirable to have the lending period for each expire simultaneously, so that each could be given a general review at the same time. Hence, an additional lending period to expire June 30, 1971 is provided by the proposed amendment.

The Minister of Fisheries has expressed the view that his department is encouraging the evolution of large and more efficient vessels to be used by fishermen and this, of course, involves more extensive and expensive equipment and gear, such as navigational and

fishing aids. Any such improvements or additions to equipment in the light of present economic conditions would definitely involve outlays of sums considerably in excess of \$10,000, and in order to reach the objective contemplated by the act, it is considered desirable that the maximum loan be increased from \$10,000 to \$25,000. The subject matter of an appropriate loan limit has been discussed by the Department of Fisheries with the provincial departments of fisheries and fishermen's representatives. As a result of these discussions, there emerged the general consensus that a limit of \$25,000 is the minimum required to meet the current needs and present conditions.

The extension of the expiry date to June 30, 1971, and the increase of a maximum loan to \$25,000, involve as a consequence the necessary amendment to establish the aggregate volume of loans to which the Government guarantee applies at \$10 million in respect of loans made by chartered banks and \$10 million in respect of loans made by other designated lenders.

In this latter connection, honourable senators will recollect that earlier this year, amendment changes were made to this act with respect to the financial institutions that may be designated to make loans and, as a result, trust companies, insurance companies and mortgage loan companies were brought within the scope of the act. A lender will now also include a credit union, caisse populaire, and any other co-operative credit society designated by the minister on the application of such society as a lender for the purposes of this act. I wish to make it clear, however, that while this amendment will benefit the fishermen by making available larger loans, it will not by itself meet the requirements of the groundfish fishermen on the east coast.

It is true that the fishermen from the Atlantic provinces and Quebec can obtain loans from their respective fishermen's loan boards for the purchase of new vessels, new power units and certain types of fishing gear. However, because of the high cost of construction and the increased cost of fishing gear and equipment, east coast fishermen engaged in the production of a low cost variety, operating in the majority on a short or limited season, cannot, even with the availability of such loans, meet the high costs of new fishing boats or look after replacements. The Minister of Fisheries must recognize that the construction subsidies on such vessels, available for the last 20 or 25 years,