

Fisheries Improvement Loans Act

There is one condition in particular of the conditional sales contract I wish to read:

I acknowledge that the Company is selling this property to me and financing me solely on my fishing ability and I therefore further agree that if at any time I should wish to sell or dispose of my interest in the property,—

That is the boat.

—I shall first offer the property for sale to the Company in writing at a price to be stated therein, and, should the Company decline my offer of sale at that price, that I cannot sell the property at that price to any person other than the Company without first obtaining written permission from the company—

One can hardly conceive of a situation in our society where a person who has bought something under a conditional sales agreement is not entitled to sell that property to whomever he wishes without first obtaining the written permission of the person from whom he originally bought that property. Such a condition, Mr. Speaker, is an absolute infringement of certain basic rights the people of this nation have, and the minister endorses this sort of infringement by refusing to allow fishermen to extricate themselves from the clutches of the fishing companies.

I continue reading from the conditional sales agreement:

Further, following such offer to the Company and refusal by the Company to purchase as aforesaid, should I subsequently wish to sell the property at a price lower than that set forth in my original offer to the Company, the Company shall similarly have the same right of first refusal and I must similarly first obtain the same written permission from the Company for sale to another and approval of that other person as a proposed purchaser.

Surely, in this day and age when the Prime Minister (Mr. Trudeau) so eloquently talks of the necessity of enshrining in our constitution a bill of rights to protect the rights of the people of this nation, the Minister of Fisheries and Forestry ought to show concern for the rights of individual fishermen. Surely, this bill could have reflected that concern. Our fishermen are entitled to those rights that are accorded to all our people.

We shall propose a number of amendments when the bill goes to committee. At this time may I also say that the loan limit of \$25,000 is inadequate. Fishermen wish to increase their economic standards by working with increased amounts of capital they might invest in boats or fishing gear. These days we cannot buy much of a boat for \$25,000. When the committee toured British Columbia it heard many fishermen say how necessary it was to invest \$50,000, \$60,000 or \$75,000 in a

[Mr. Howard (Skeena).]

boat in order to make a decent living from their invested capital. They wanted increased catches, and need to operate bigger boats. If the minister were to think in terms of advancing say \$50,000 as a maximum, that would be a step in the right direction and would help fishermen thrive.

I might say as an aside that I am not talking about these matters in isolation. We need research and promotional programs within the fishery itself, and we must find additional markets for those fisheries that are not now exploited to the extent that they ought to be. I am, therefore, not talking about the matters I have raised in an isolated way.

• (9:40 p.m.)

Another aspect of this measure is misleading. I may be somewhat in error about the actual interest rate permitted under this act, but I understand it is $7\frac{1}{4}$ or $7\frac{1}{2}$ per cent. In any event, this interest rate is set by order-in-council. Many fishermen have gone to private lending institutions, such as banks and credit unions, and have been refused the opportunity to borrow money under the Fisheries Improvement Loans Act. They have been refused because these institutions now have a prime lending rate of 8 per cent. In other words, if a fisherman has liquid assets, cash or cashable bonds to the extent of \$1,000 and puts them up as security, he will get a loan of \$1,000 at 8 per cent. If the security is a property or something of that sort, the interest rate charged by banking institutions in this nation is 10.9 per cent. I checked this a couple of days ago to make sure these figures were accurate because the interest rate has been inching upwards for some time. Fishermen are told by the banking institutions, why should we lend you money at $7\frac{1}{2}$ per cent on property such as a boat when we can lend the same money on a property at 10.9 per cent. The fisherman desiring to obtain financing is left to go begging.

The fisherman does not fully realize the opportunities that should be available to him. I do not wish it to be construed that I am advancing an argument to raise the interest rate in order that the freedom of the market will prevail. I wish to dispel any thoughts along that line. The Minister of Finance (Mr. Benson), the minister in charge of housing and the government agree the interest rate under N.H.A., that is the CMHC mortgage rate, should be allowed to follow the trends of the market. The government argued this would bring down the interest rates on loans for housing. Is this same argument to