

Fisheries Development Act

on the Atlantic coast than for assisting those on the Pacific coast. In 1971, Pacific coast fishermen borrowed \$2.5 million under the Fisheries Improvement Loans Act. In the four Atlantic provinces, slightly less than \$700,000 was distributed under the act. I do not wish to in any way begrudge the amount of money that has gone into other parts of Canada as opposed to the amount that has gone into the Atlantic region, but these figures must indicate there is a great need for communication with the fishermen on the east coast of Canada. These funds and benefits under the act must be made more accessible to them.

● (1420)

In many cases the chartered banks to which the fishermen must apply to get these funds under the government guarantee have not been willing to co-operate. In fact, in many cases they have discouraged fishermen from availing themselves of the funds under the Fisheries Improvement Loans Act. Instead, they try to direct them into getting funds through other plans which the banks have. By doing this, the fishermen are being denied such benefits under the Fisheries Improvement Loans Act as lower interest rates. Because of the reluctance of the banks, and I am not condemning all banks, to explain the act to the fishermen and to make funds available to them under the act, these fishermen in many cases are being forced into the clutches of the loan sharks. In many cases, they are paying interest rates far in excess of those available under the Fisheries Improvement Loans Act. Consequently, they are paying more for their money to buy property and gear.

I wish to impress upon the minister and the House the need to develop better liaison with the fishermen, particularly those in remote parts of the country. For example, in my province it involves considerable hardship and expense for some fishermen to travel to the chartered banks in order to apply for a loan under this act. I ask that some thought be given to the problems these people encounter with regard to inaccessibility of banking services. I strongly recommend to the minister and the government that some form of mobile loan service be provided, either by the banks or the Department of Fisheries. This would eliminate the need for fishermen to make often expensive and long journeys to centres where credit institutions are located.

As I said earlier, the fact that a large number of fishermen are not taking advantage of loans under the Fisheries Improvement Loans Act indicated they are unable to communicate with the banks. In many cases, the banks have expressed an unwillingness to lend money, even with the government guarantee.

An example of this occurred in my constituency not too many days ago. A very successful fisherman went to a local chartered bank to apply for a loan under the Fisheries Improvement Loans Act. The bank imposed restrictions on that person that were not consistent with the restrictions imposed by the Department of Fisheries under the Fisheries Improvement Loans Act. Certain requirements were made of that fisherman which were not consistent with the provisions in the act. Consequently, this man was refused a loan. Fortunately, after having made representations to the bank manager and the fisheries people in the province, that fisherman eventually got his loan. However, had he not been able to contact me or some

[Mr. Carter.]

other official in the province, more than likely he would have been driven to a finance company where he would have had to pay interest charges perhaps three or four times in excess of those charged on loans under the Fisheries Improvement Loans Act.

That is an example of a chartered bank discouraging someone from making a loan under the Fisheries Improvement Loans Act. The reason is obvious. Banks are in business to make money. If the banks can convince fishermen to make loans through their regular plans, they can charge more interest than they are permitted to charge under the Fisheries Improvement Loans Act. This is obviously the reason they are encouraging fishermen to apply for conventional loans rather than loans under the act.

There are a number of questions that remain unanswered. I am sorry the minister is not here. Possibly before this debate is concluded, he will be able to shed some light on a few questions which not only interest me, but many fishermen in this country. For example, the purpose of this amendment is to assist fishermen who want to modify and improve their fishing boats. However, there is no mention of providing new engines for boats. In many cases, the fishermen are expected to improve their fishing capability. They should be able to get assistance from the government for the purpose of purchasing more powerful engines.

Another question that comes to mind is the limit that will be placed on the modifications by this amendment. I have the impression, rightly or wrongly, that there will be a floor of \$5,000. For example, if a fisherman is going to make certain changes, alterations or modifications to his boat at a cost which does not exceed \$5,000, he will not qualify for the 35 per cent subsidy provided for in the amendment. I would like the minister or somebody on the government side to explain these two aspects of the amendments.

Like my colleague, the hon. member for South Shore, I have very strong reservations about the wisdom of only allowing 35 per cent of the cost of these modifications. Surely, the government can see fit to increase that to 50 per cent. In many cases the changes that must be made to these fishing boats, especially in view of the new licensing program being initiated by the Department of Fisheries and the inspection program, will be substantial. Consequently, not too many more people will be able to avail themselves of the benefits of the act. This will be because of the limitation on the amount of money they can receive. I strongly recommend to the minister and the government that this 35 per cent be increased to at least 50 per cent.

There are a number of other matters pertaining to fisheries that could be discussed. They may not be directly related to the amendment we are now debating. Certainly, the matter of licensing is very important. On November 14, the Minister of Fisheries (Mr. Davis) announced in the House a rather extensive licensing program. A great many people in my constituency have objected to this proposed licensing program on the ground, among other things, that they had been given insufficient information, or in some cases no information, as to the possible effects of this policy on their traditional way of life. After the minister had made that statement, I took it upon myself to hold several public meetings in the fishing communities in my