

or the names of the banks which may have refused to grant such loans?

Fishermen who are successful in securing loans are obviously a very good risk, and I commend the minister for his statement in that regard. According to the March 31, 1979, annual report, out of the total number of 11,493 loans made from December 12, way back in 1955, to approximately the present date, only 124 claims had to be paid. This is a good record, an outstanding record, and it indicates the soundness of providing guarantees to those engaged in this important primary industry. Nevertheless, as I stated earlier, the amounts to be guaranteed under this bill are totally inadequate. I say this because of the manner in which the cost of boats as well as gear has escalated in the past ten years.

According to figures obtained from the Fishermen's Loans Board of Nova Scotia, a 40-foot lobster boat cost \$11,000 in 1970, \$30,000 in 1975, and \$55,000 in 1980. A 65-foot dragger cost \$150,000 in 1970, \$285,000 in 1975, and \$675,000 in 1980. A 65-foot longliner cost \$95,000 in 1970, \$150,000 in 1975, and \$450,000 in 1980. Finally, a 150-foot stern dragger cost \$1.5 million in 1970, \$2.5 million in 1975, and \$8 million plus in 1980. The cost could easily, as the minister is well aware, escalate to something like \$12 million depending on the number of radar, sounders, depth sounders and other new technology and new instruments which are available today. These quite quickly build up the cost of a modern fishing trawler.

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I place these figures on the record to show the total inadequacy of the bill, and the problems it is supposed to cover. Obviously when we look at these figures we cannot help but realize that the government will not exactly be swamped by loan applications because there is too much discrepancy between the amounts available and the amount required.

I should add as well that there is too much uncertainty about the cost of the loans. Under the existing regulations the fisherman may borrow from a chartered bank or an authorized lending institution at the prime rate plus 1 per cent. This rate fluctuates as the prime interest rate fluctuates. Because of this the fisherman really does not know what his interest charges will be from year to year. A substantial interest rate hike such as we have recently experienced, for example, would put the fisherman in a real economic bind, just the same kind of bind he would be in if his anchor rope got caught in his propeller. He would be anchored. I believe the fisherman should be able to plan his finances so that he will know at the time of borrowing what interest payments he will be expected to pay, and the rate of interest. If this could be arranged, he would be in a better position to know whether or not he can meet his obligations.

It is my understanding, subject to correction, that interest on loans from the Federal Business Development Bank are made at a pegged rate for at least five years. This type of policy, if applied to this act, would not protect just the fisherman but, I submit, it would also protect the Crown. I say

this because, as interest rates rise, so does the possibility of a fisherman defaulting on his loan.

I am also concerned about how the fisherman must repay his loan. According to the regulations, the terms of repayment are based on a repayment schedule which is agreed to at the time the loan is negotiated, and it is agreed between the lending institution and the borrower. Under this arrangement the lending institution could insist that the loan be amortized over a longer period of time than might be comfortable for the borrower. This type of arrangement, of course, would allow the lending institution to receive much more interest than is reasonable.

There should be some provisions, I submit, in the act which would cause the lending institution to realize that the fisherman's income is dependent upon seasonal employment, and therefore the fisherman should be able to repay more of his loans, if earnings warrant, during peak periods of the season, and much less when the weather dictates that his operations cease. This provision would allow the fisherman to reduce his debts during high liner periods, and he would not be so devastated when hit by a long period of high winds, high seas, and no fish.

When looking at the annual report for 1978-79 as printed under this act, I cannot help but note on pages 10 and 11 that the Bank of Nova Scotia has lent much more in Nova Scotia and Newfoundland than some of the other banks, especially the Royal. It would be interesting to know the reason for this difference. I have a suggestion to throw out to the minister. He is always interested in suggestions from this side of the House, and sometimes the party opposite is not averse to adopting some of our proposals.

I say to the minister that perhaps the time has arrived, in light of the present high cost of ship construction, for the government to consider establishing a Canada mortgage and shipping corporation from which loans and lines of credit could be made available for ship refits and for new ship construction. This type of corporation could help finance the construction of needed ships of all sizes in Canada, especially as we begin the renewal of our existing fleet. The rebuilding of our aging fleet, I submit, is something which cannot be put off indefinitely. New technology is required if we are to capitalize fully on the vast fisheries resources which are within our 200-mile limit, and not only within the 200-mile limit but beyond the 200-mile limit as far out as Flemish Cap, which is something like 400 miles off the coast of Nova Scotia. If we are to capitalize on the resources that are in this area, I submit that there is an immediate need for a fleet development policy to be established by this fisheries minister. By this I do not mean the continuation of the policy which was followed by the present Minister of Fisheries and Oceans (Mr. LeBlanc) in the spring of 1978.

I may be wrong in my estimate, but I understand he issued at least 14 permits to buy new or used fishing vessels offshore. This meant the loss of something like anywhere between \$50 million and \$80 million in work to Canadian shipbuilders and to allied industries. When the Canadian shipbuilding industry