

GOVERNMENT ORDERS

AFTER RECESS

The house resumed at 8 p.m.

FISHERIES IMPROVEMENT LOANS ACT

AMENDMENT SUBSTITUTING RATE PRE- SCRIBED BY GOVERNOR IN COUNCIL

The house resumed consideration of the motion of Mr. Davis for the second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill C-151, to amend the Fisheries Improvement Loans Act.

Hon. Jack Davis (for Minister of Finance):

With regard to the bill before us, Bill C-151, I should like to say at the outset that I can think of no sector of the Canadian economy which merits the support and the credit of the Canadian nation more than our fisheries. This bill, which will have the effect of modifying the Fisheries Improvement Loans Act in various ways, will be lending the credit of the nation to make it easier for fishermen to build new boats, equip their boats better and improve the tools of their trade so as to prosecute the fisheries in a more effective way.

The net result should be higher incomes for fishermen. Again, the basic purpose of this legislation is to make credit more readily available to fishermen as individuals and to ease the problem of high interest rates which they, in common with many other Canadians, are facing at the present time.

The amendments in Bill C-151 which bear on the Fisheries Improvement Loans Act, an act which dates back to 1955, relate first of all to the character of the lenders. The number of lending institutions is increased. The interest rate at which these institutions can make money available to fishermen is made more flexible and more realistic in present circumstances. Finally, the liability of the minister of finance (Mr. Benson), the liability on the nation's treasury, is increased so as to carry the extra burden which increased loans will place on the credit of the federal government.

The Fisheries Improvement Loans Act which, as I have said, was passed in 1955, was designed to provide term credit to fishermen for a variety of fisheries improvement projects. Loans under this act are guaranteed

Fisheries Improvement Loans Act

by the government but in order to qualify for such loans applications must be made in accordance with the act and the regulations made under it. Fisheries improvement loans are made by the chartered banks and by certain credit unions or caisses populaires designated by the Minister of Finance. To these will now be added insurance companies and trust and loan companies. The managers of these lending institutions can advise fishermen whether or not they qualify for these loans.

Only individual fishermen can obtain loans. Companies, or large aggregations of fishermen cannot obtain loans under this legislation. A fisherman is defined as a person who owns or plans to obtain a fishing vessel, or fish catching and related equipment, and who makes his living by fishing.

Loans may be made for the purchase of fishing equipment, the construction of new fishing boats, the purchase of new or used fishing boats, the major repair and overhaul of such boats, shore installations and building used by a fisherman to carry on his business and other fisheries improvements. A loan may be used to finance the purchase of accessories to the boat, such as engines, winches or electronic equipment, nets, lines and traps, equipment used for preserving or preparing fish for sale, trucks, snowmobiles and other vehicles for transporting fish, and a variety of shore installations. These are only a few of the items in a long list of the uses fishermen can make of this assistance under the Fisheries Loans Act.

Details of each loan are worked out between the fishermen and the lending institutions. In establishing the terms of the loan the lender may take into account the type of fishing in which the borrower is engaged, the pattern of his income and his probable ability to repay the loan. In all cases, certain conditions must be met. In recent years legislation has set a limit of \$10,000 on the total amount of the loan.

Back in 1955 when the act was introduced, the maximum figure was \$4,000. This was increased to \$10,000 in 1965. We ought, I believe, to consider whether the present level of \$10,000 is appropriate, and in the committee's deliberations I hope we will hear submissions as to whether a figure, say, in the order of \$25,000 would be appropriate for the future. A ceiling of \$25,000 was part of the legislation passed a few months ago in this house in connection with the Farm Improvement Loans Act.