making power, this is the kind of measure that the Senate will not stand for and that it will dig in its heels and say no. In this particular case, I am prepared not to recommend that we dig in our heels because it is only for a year and a half.

Hon. John B. Stewart: Honourable senators, I have a question for Senator Marshall, a question which he can deal with very briefly when he rises to close the debate. I believe he said that if this bill is enacted it will be effective for only the remainder of 1985 and 1986. Is that simply a personal commitment by the minister? I can find no clause in the bill that would cause the statute to expire at the end of 1986, but I find in clause 9 provision that sections 5 to 8 shall come into force on January 31, 1987, just at the moment that the rest of the bill will expire. I am sure that there is a good explanation. It should be on the record.

Senator Marshall: Honourable senators—

The Hon. the Speaker: Honourable senators, if the Honourable Senator Marshall speaks now his speech will have the effect of closing the debate on the motion for second reading of this bill.

Senator Marshall: Honourable senators, I should like to thank Senators LeBlanc, Stewart and Godfrey for their comments. I cannot compete with Senator Godfrey because of his legalistic mind, and I am glad that I do not have to compete with Senator LeBlanc because he does not like legalistic minds. I always appreciate hearing his comments and observations on fisheries. He expresses an understanding so much better than I do of the complexities of the act and the frustrations of the Minister of Fisheries and Oceans in dealing with the provinces. I think, however, that, through the sunset clause, we have an opening by which we can deal with these measures. As Senator Godfrey suggested, we have a year and a half in which to look into all other ramifications of this act. Now that we have a fairly active fisheries committee, I believe that we can do that. I have the commitment from the deputy leader that we will be able to make some reference to the Fisheries Act and deal with it on an ongoing basis.

● (1720)

In reply to Senator Stewart, on my reading of the bill, clause 9 says that sections 5 to 8 shall come into force on January 1, 1987, at which time we can review the amendments to see whether they operate in conjunction with what we wanted.

Motion agreed to and bill read second time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

On motion of Senator Doody, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

FISHERIES IMPROVEMENT LOANS ACT

BILL TO AMEND—SECOND READING

Hon. Jack Marshall moved the second reading of Bill C-57, to amend the Fisheries Improvement Loans Act.

[Senator Godfrey.]

He said: Honourable senators, I am pleased to introduce for second reading Bill C-57, to extend the Fisheries Improvement Loans Act, without amendment, until December 31, 1986. This is a bill which comes before us periodically and, because the present act expires on June 30, 1985, it is evident that there is extreme urgency to pass this legislation before that expiry date is upon us.

As I am sure many honourable senators are aware, the Fisheries Improvement Loans Act is intended to aid the small independent fishermen by helping to finance a number of fishery improvement projects such as purchase or construction of a fishing vessel or repairs to vessels and equipment. It is directed toward the ongoing operations of the small independent fisherman rather than the building of large, expensive trawlers.

This legislation specifies the amount that can be outstanding to an individual borrower at any one time, as well as the maximum term of each loan. It also lays down the total principal amount of guaranteed loans that may be made by all lending institutions during a lending period. That limit for this renewal of the legislation is set at $30 million.

The rate of interest on the loans under the act is set at 1 per cent over the prime lending rate of the chartered banks, and is allowed to float with the prime rate for the duration of the loan. The maximum amount which a fisherman may have outstanding under the act at any one time may not exceed $150,000 and the maximum repayment period is 15 years.

The guaranteed loans program carried out under this act provides a stable source of credit to many small independent fishermen in the absence of which such credit would not be assured from the banking community during those times when markets are sluggish. Without a program of this sort, it is quite likely that a number of small independent fishermen would be forced to look for support from large operators, which would jeopardize their freedom and their independence.

I should also like to make the point that all loans under the Fisheries Improvement Loans Act must be secured. Security is taken in the form of a chattel or marine mortgage on the item purchased or constructed, and the lender is given a written promise by the borrower to repay the loan. Other terms and conditions are worked out between the applicant and the lender. Lenders make loans with the same care taken in the conduct of their ordinary business and use normal commerical lending practices in drawing up agreements and in servicing the loans.

Honourable senators, this is a simple bill which appears, as I have said, almost annually, and has had general all-party support in the other place. In view of the time element involved, I am sure that honourable senators will want to give it the same sort of support.

Hon. Roméo LeBlanc: Honourable senators, I simply want to say that I support the prolongation of this act. I hope that perhaps, some day, we will review not only the Fisheries Act, but also this type of program because, as one who has to answer questions about it, I recognize some of its shortcom-