

about the program in general. First of all, it would be very, very helpful if the minister, when we get to the committee stage, would provide information on who is borrowing this money. By that I mean a detailed breakdown on the division of loans as between various gear types and various licences that are carried by the vessels and ancillary equipment which is purchased with these loans. It would be interesting to know how the money is being dispersed between various sized vessels.

It would also be pertinent if the minister could provide us with information as to the background of the borrowers. In his opening statement the minister indicated that the ordinary fisherman is benefiting with these loans. I believe that to be true because he has said so, but in British Columbia there is a suspicion that much of this capital is being used by various larger interests in the industry, corporate interests one might say, and in fact perhaps by speculative investors and professional people who have no history in the fishing industry.

I believe that it is very important that the minister supply, by tabling a detailed breakdown, information as to who is getting these loans and in what sums they are being dispersed. In particular I think it is important that we examine the extent to which this money might have been used, either directly or indirectly, to produce concentrations of ownership in the west coast fishing industry. I am thinking particularly of the recent takeover by B.C. Packers of the Canadian Fishing Company, the concern which many west coast fishermen feel about the tremendous leverage they command in the industry and the extent to which capital loaned under this program might, by one means or another, be used to benefit those kinds of takeovers and consolidations of ownership. As I indicated a moment ago, I think that in view of the tremendous frustration which fishermen in British Columbia have experienced over the complicated and increasingly tedious licencing system which is evolving, it is important to determine which type of licence classes are getting the loans under this program. As I hinted earlier, I think probably the most important question that the minister must answer is to what extent the Department of Fisheries and Oceans is exercising control over the disbursement of these rather large amounts of money, and to what extent that disbursement is matched to the management objectives of the department.

It was a surprise to me, upon doing some checking, to learn that there are no fisheries loans review boards at the federal level on either the east coast or the west coast. There are provincial review boards in Atlantic Canada. I would expect some kind of a tie of that nature to ensure that fishermen and the department have some say in how these loans are disbursed.

I would also like to raise what is to me a philosophical dilemma. I look to the economics of the fishing industry and I see that the uptake of loans under this act is very much lower in Atlantic Canada than it is in the case of moneys needed to develop the west coast fishing industry. In contrast, I see large amounts of direct capital assistance going to the east coast fishery through the small craft harbours projects, gear subsidy

programs, vessel subsidy programs and the like. I do not condemn that particularly, but I wonder what the minister has to say about this dichotomy between the east coast fishery and the west coast fishery. Is it perhaps that the east coast fishery is so dependent on grants and federal largesse that it does not need to seek out loans and take the additional risk that entails? If that is the case I think we all want to understand, if this is a matter of government policy, what the implications of it are.

• (1710)

I believe that the loans route is a commendable route, and when the government can assist with risk taking, to a degree that is desirable. Unfortunately this government has not agreed to pursue the tax incentive route by introducing write-off provisions in the Income Tax Act. This was proposed by the former minister of finance in the Conservative government in order to encourage investment in the construction of vessels and related equipment in a direct sense, not by depending on government but by allowing the private sector interests to pursue their initiatives and to reward that by some form of tax credit.

As was mentioned by the hon. member for Nanaimo-Alberni, there is a problem in the B.C. fishing industry in particular, regarding overcapitalization. The minister is very familiar with that problem. We have many large vessels and, of course, a much larger number of small vessels. The large vessels are capable of harvesting the lion's share of most species of fish on the west coast. They are equipped with sophisticated sounding gear, powered winch gear and all kinds of ancillary equipment, to make them a very powerful force in the west coast fishing industry.

I would be alarmed if I were to learn that many of the larger vessels, particularly seiners, were those that are benefiting most under the Fisheries Improvement Loans Act. We do have the dilemma of overcapitalization. However, fishermen also mortgage their homes and borrow large amounts of money, as much as \$250,000, to build larger vessels. The viability of those investments is predicated on stable markets and a stable management policy.

Conflicting with that, in recent years we have seen the continual rearrangement of management policies, relating to licensing in particular, to the extent that the fisherman exists in a world of uncertainty and is subject to the vulnerability of the boom and bust cycle which prevails because of natural factors or inadequate management information on which licencing policies and decisions are based.

I believe that the management policies that the department has created and developed ever since the days of the Davis plan, exacerbate the problems we face. On the one hand we are confronted with a 200-mile limit and we want to develop those new resources consistent with good management policies in a way which will be to the net benefit of fishermen. On the other hand the various actions of the department in recent years have frustrated and dispirited individual fishermen who need to invest in rather large vessels and associated gear.