

Fisheries Improvement Loans Act

present act his application would be rejected. This may be the answer to the question posed by the hon. member for Gloucester when he referred to the small number of applications made for assistance under this act.

Another example could be the fisherman having an interest in a herring net, a mackerel trap or a pollock trap. It is true that these types of fishing equipment are anchored to the ocean floor but they are not affixed to the ground as is a fishing weir which is a contraction of poles and brush placed in the ground near the shore in order to trap fish. Without an interest in this equipment these men are unable to qualify. In view of the improper wording of this act and the indefinite description of a Canadian fisherman, I would suggest that the government amend the present act and give consideration to a loan to anyone at present engaged in the fishing industry who is desirous of acquiring an interest in a fishing craft or fishing equipment so that he may participate in this primary industry.

Mr. McWilliam: Mr. Chairman, this resolution standing in the name of the Minister of Finance reads as follows:

That it is expedient to introduce a measure to amend the Fisheries Improvement Loans Act to amend the application of the act from the 12th day of December, 1958 to the 30th day of June, 1962.

This measure was first introduced in the house in the 1955 session and it was given unanimous approval. I am sure this amendment will receive that same approval from this present chamber. I do not know why the legislation was allowed to expire. However, earlier this evening the hon. minister stated that arrangements had been made with lending institutions to grant loans in the interim. He did not actually use those exact words, but I think that is what he meant. Therefore as far as the lending powers were concerned, an arrangement had been made and the fishermen did not suffer from this lapse. In any event, I do not judge that the demand for loans during this period was very heavy.

Sessional Paper No. 51 of July 23, 1958, showed total loans up to March 31, 1958 were 441 in the amount of \$484,736.22, and 80 loans were repaid in that period for a total of \$182,639.74. Loans to New Brunswick fishermen totalled 105 and were in the amount of \$63,045, making an average loan of \$600. It would appear from the information contained in the sessional paper that from 1955 up until the end of the fiscal year of March, 1958 fishermen did not take very much advantage of this legislation, or they were unable to secure loans from local banks or credit unions. Perhaps the hon. minister can ascertain how many applications for loans

have been refused, toward ascertaining if the legislation is providing the service for which it was intended. As only 441 loans were granted it appears that this number is small for all Canada. Perhaps the lending institutions do not look with too much favour on the kind of loans authorized under this act, or it may be that fishermen generally are not aware of the credit facilities available. I would suggest to the hon. minister, and to the Minister of Fisheries also, that all media should be used to advertise to the fishermen that these credit facilities are available. It may well be that a great number of fishermen are not familiar with the credit facilities available under this act.

Under the act loans can be secured up to \$4,000 at 5 per cent simple interest, for a repayment period of up to eight years. The loans are guaranteed by the government of Canada to designated lending institutions up to 15 per cent of the first \$500,000, plus 10 per cent of the amount of additional loans, and this guarantee is available up to \$15 million within a three-year period. The purpose of this bill, as the hon. minister stated in his opening remarks, is to increase the availability of intermediate term credit to fishermen. It was designed to assist the average fisherman to make use of the credit facilities offered to meet his needs in the fishing industry.

The regulations to the act, I think, in some cases are too restrictive on the time limit for repayment of loans, particularly in two cases. Those cases are where major repairs to boats, superstructure and engines are required. These loans are subject to a three year period of repayment. Section 12 of the regulations provides suggested maximum terms of repayment of loans, depending, of course, upon the amount borrowed and the probability of the borrower paying off the loan within the required time period. These suggested terms are: On a \$400 loan, 18 months; on a \$750 loan, two years, six months; on a \$1,500 loan, four years. Then, of course, it varies up to \$4,000, which sets a term of eight years.

Mr. Chairman, I wish to outline briefly the case of two fishermen, residents of Northumberland-Miramichi, who made application for a loan of \$3,500 for a period of six or seven years. The loan was requested for the installation of a clam and quahog mechanical digger on their boat. The plans for the clam and quahog digger were approved by officials of the Department of Fisheries, who actually provided the blueprints for the mechanical digger. Their boat, jointly owned, a 40-foot craft with a 12-foot beam, newly constructed, fully equipped, free of all debt,