

*Fisheries Improvement Loans Act (No. 2)*

1965, there were some changes to the Bank Act which permitted the banks to get back into the mortgage field, an area they had not been in for a long time. With the experience the banks had gained from administering the Farm Improvements Loans Act, they very quickly moved into the farm credit field to the point where, rather than 100 per cent of the intermediate term agricultural loans being carried by the Farm Improvement Loans program, we had less than 20 per cent of such loans being carried under the Farm Improvement Loans program in 1980.

We can see the private banking system has moved into that particular field of credit in a fairly big way, thanks to the experience they got under the Farm Improvement Loans Act between 1946 and 1965.

The use of FIL funds for debt consolidation or for short-term loans to handle production credits is not allowed under the Farm Improvement Loans Act. That is an area not fully recognized by lending institutions operated by the Government of Canada. The Farm Credit Corporation does permit debt consolidation. At a time like the present, farmers are under considerable financial strain and are requiring debt consolidation measures in order to stay in business in the hope that the bear markets will turn up so farming can again be profitable. We note that the Farm Credit Corporation has been getting more and more into debt consolidation as a part of its business. In 1980, roughly 16 per cent of the business that the Farm Credit Corporation generated was for farm debt consolidation. The next year, 1981, that figure was up to 35 per cent. We know that in 1983 the call for funds to consolidate debts through the Farm Credit Corporation is so large that the Farm Credit Corporation has already run out of funds in just a few weeks. There is a great need for that kind of funding. I am not sure whether FIL loans are the place to do it, but certainly if farmers have chosen the Farm Credit Corporation as a place to go and the service is there, more funds should be made available so that more of those loans could be provided to farmers in an effort to stave off bankruptcy for a few more years to spread their debt repayments in order to survive this particular heavy downturn in the market for their products.

We support this amendment to renew the Farm Improvement Loans Act and we hope it goes through very quickly now.

**The Acting Speaker (Mr. Blaker):** Does the House agree to the motion?

**Some Hon. Members:** Agreed.

Motion agreed to and bill read the third time and passed.

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**FISHERIES IMPROVEMENT LOANS ACT (NO. 2)**

## MEASURE TO AMEND

**Hon. E. F. Whelan (for Mr. De Bané)** moved that Bill C-147, an Act to amend the Fisheries Improvement Loans Act, be read the second time and, by unanimous consent, referred to Committee of the Whole.

**The Acting Speaker (Mr. Blaker):** Some indication has been given to the Chair that there may be some discussion on third reading. Of course, I recognize now, at second reading stage, the Hon. Member for Comox-Powell River (Mr. Skelly), if he so wishes. Shall we wait for third reading for comments by Hon. Members?

**Some Hon. Members:** Agreed.

Motion agreed to, bill read the second time and the House went into Committee thereon, Mr. Blaker in the chair.

Clauses 1 to 4 inclusive agreed to.

Title agreed to.

**The Deputy Chairman:** Shall I report the Bill?

**Some Hon. Members:** Agreed.

Bill reported.

**Mr. Whelan (for Mr. De Bané)** moved that the Bill be concurred in.

Motion agreed to.

**The Acting Speaker (Mr. Blaker):** When shall the Bill read a third time? By unanimous consent now?

**Some Hon. Members:** Agreed.

**Hon. E. F. Whelan (for Mr. De Bané)** moved that the Bill be read the third time and do pass.

He said: Mr. Speaker, it is my pleasure to introduce this Bill on behalf of the Minister of Fisheries and Oceans (Mr. De Bané). It being third reading I want to say only a few words. This legislation is to extend and simultaneously amend the Fisheries Improvement Loans Act.

In general terms, the Fisheries Improvement Loans Act is intended to facilitate the availability of credit to fishermen for a variety of fisheries improvement projects. In order to encourage private financial institutions to make such loans to fishermen, the Act authorizes the federal Government to guarantee lenders against loss incurred on loans made in accordance with its provisions.

The legislation specifies the amount that can be outstanding to an individual borrower at any one time, and the maximum repayment term of each loan. It also specifies the lending period and the aggregate principal amount of guaranteed loans that may be made by all lenders in that period.

This Act was originally administered by the Department of Finance and was transferred to the Department of Fisheries and Oceans in June, 1978. The existing legislation does not go beyond June 30, 1983, and in the interests of the many fishermen who depend on this Act for credit, I sincerely thank the House for its speedy passage. This is highly desirable action.

● (1520)

Here is what the amendments will do. They will extend the Act for a two-year period from July 1, 1983 to June 30, 1985,