

Small Businesses Loans Act

Fishermen faced with costs for getting their equipment ready for a season or for repairs often have difficulty coming up with the 20 per cent that has to be put up front before they can get a loan under the new program. Why is the Government bringing in a program that is less satisfactory for the needs of the fishermen than the old program?

The repayment period under the old program was 15 years. Under the new program it has been cut to 10 years. We all know that fishermen often have to deal with cycles that sometimes last more than one or two years. Often there are several bad years and if the fishermen have to have all their payments squeezed into a 10 year period it can be very difficult. Why was the maximum payment cut from 15 years to 10 years? The Government is not primarily concerned with the needs of the fishermen, but it must have some other agenda with which it is dealing.

The government guarantee of this loan program drops from 100 per cent to 85 per cent. On top of all of that, there is now a registration fee, a fancy term for a user fee, of 1 per cent. This money has to be up-front, so that the cost of the program is an additional 1 per cent. There is less money available to individual fishermen for loans. There is a shorter repayment period. The Government guarantee has dropped from 100 per cent to 85 per cent. Loans can only cover 80 per cent of the proposed investment.

In every single way, Mr. Speaker, this is a poorer program than the old one. Why is the Government changing it? Why was the Government not prepared to bring in a properly funded program for fisheries improvements? Why is the Government trying to suggest to Canadians that somehow it is dealing with the needs of fishermen by incorporating them under the Small Businesses Loans Act.

This program does not meet their needs anywhere near in the same manner as the old one. The Government is cutting back and is indicating the very low status it gives to fishermen. It is very obvious that the program is not an improvement. We will let the Bill go through because today is the last day. Unless this program goes through there will be nothing available, and it is better than nothing.

We are not happy with the low priority which the Government gives to fisheries. We are not happy with the way in which the Government has abused the rights of fishermen by taking away a decent program and giving them one that does not meet their needs.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I believe the Government has decided to close down completely the federal Department of Fisheries and to get out of the area of matters that deal with fishermen in other areas. I do not know why, and I am sure no Member of this House can tell me why we have had since 1945 a guaranteed loan program for farmers, and since 1955 a guaranteed loan program for fishermen. All of a sudden in 1987, the Government of Canada decides to discontinue completely the guaranteed loans

program for fishermen but is keeping the guaranteed loans programs for farmers. We have yet to see the Bill. I understand the farmers' Bill will be presented some time today. I imagine we will see a fee built into it whereby the farmers will have to pay something back to the Government of Canada for the privilege of getting a guarantee at the banks, but it still does not answer the question: Why pull out of the program designed for fishermen?

It is an interesting question. The budget for the Department of Fisheries, as our fisheries critic from Prince Edward Island has pointed out, has deteriorated substantially. It is reduced more than any other budget of the Government of Canada.

You have, Madam Speaker, a Bill before this Chamber today that is a real slap in the face to the fishermen of Canada. You have a Bill here that says that no longer will there be a guaranteed loans program specifically aimed at fishermen. The Government of Canada found itself in quite a spot in that all of the guarantees for loans out across Canada had been used up, that is, the quotas to the banks. The fishermen were left with phone calls from the banks saying, "Look, your loan is no longer guaranteed because the Government of Canada—this Tory Government of Canada—says that we have gone over our limits and now we must demand payment in full tomorrow, says the letter from the law firms in British Columbia, from the law firms in Nova Scotia, from the law firms in Prince Edward Island, from the law firms in Quebec, from the law firms in Newfoundland and Labrador to the fishermen". It is, "payment in full immediately or we will seize your property, your house, your car and everything else".

The Government of Canada decided not to extend the guarantee on the loans. That was a conscious decision made by the new Tory Government elected in 1984 because it was going to leave fishermen out in the cold and not provide them with that extra bit of guarantee because times were bad. This Bill says the word "fisheries" will be excluded under the definition of business enterprise under the Small Businesses Loans Act. The only reason fishermen could not get loans under the Small Businesses Loans Act before was that the word "fisheries" was covered under the Fisheries Improvement Loans program.

• (1330)

A person can go to Avco or Household Finance or anywhere like that and he does not have to put down a fee to get a loan, although he does have to pay an incredible interest rate. However, no one is telling that person that he will only be loaned 85 per cent of the money and he will have to pay 1 per cent of the loan up front to the Government of Canada for the privilege of walking over the doorstep to get a loan.

This piece of paper before us today is not worth anything to the fishermen of Canada. It is a reflection of the attitude of the Government of Canada toward fishermen. The Government tells fishermen that it is moving away from all responsibility for fishermen. This has been displayed in every single action the Government has taken.