

Fisheries Improvement Loans Act

loan from \$10,000 to \$25,000. The expiry date of the act is extended by one year to June 30, 1971, and the third provision increases the fund which the government holds to guarantee these loans. The fund for the new period is established for \$10 million in respect of chartered banks and for \$10 million in respect of other lenders. Those are the principal changes.

• (9:00 p.m.)

The most important recommendation, that of raising the ceiling to \$25,000, was made as a result of submissions directed to the Department of Fisheries and Forestry, to the Standing Committee on Fisheries and Forestry, and to the federal government by the provincial ministers of fisheries to the effect that the optimum size of fishing boats and of fishing gear today involves costs well in excess of \$10,000, and sometimes in excess of \$25,000. These are the main reasons for the changes.

Mr. Mark Rose (Fraser Valley West): I did not intend to speak on this bill this evening because I thought that the hon. member for Skeena (Mr. Howard), who wanted to speak on it, would be here to do so. But unfortunately the Committee on Fisheries and Forestry is meeting this evening and, in fact, I am rather surprised that the minister is not present at the meeting. I know that the hon. member for Skeena wanted to raise a number of points, but perhaps I can raise them briefly since he is not here to speak on the bill.

Certainly when the Committee on Fisheries and Forestry visited the west coast, its members heard many representations to support the idea of raising the loan limit from \$10,000 to \$25,000. In fact, there were suggestions that it might be raised even higher. There are a couple of problems associated with this because, in spite of the fact that the loan provisions have been raised from \$10,000 to \$25,000, the fishermen are finding extreme difficulty in receiving any kind of service through the lending agencies as a result of the particular conditions specified in the Fishery Improvement Loan Act.

It is all very well to raise the loan limit from \$10,000 to \$25,000. However, if you cannot borrow money from the lending agencies because the interest rate is not sufficiently attractive, then it seems to me that this act tends to be mere window dressing. It is all very well to have this figure established for a loan and it looks great, but if you cannot borrow that money what is the good of it?

The problem is further complicated by the fact that many of the vessels in British Columbia are under the control of the fishing companies, that is the fishing companies have advanced loans to fishermen to finance these vessels. As a result, the fishermen are required to deliver their catch to a particular fishing company. Since the situation in B.C. is such that we have really only two large fishing companies left, the problem is even further intensified. There is a great fear among the fishermen that vertical integration will take place and perhaps in future there will only be one agency through which they may be able to market their fish. They are concerned, when this situation prevails, about their position with regard to marketing and the position which they may be forced to take with regard to prices.

Many of the boats—by the fishing industry's own count 2,094—are controlled by the fishing companies. The fishing companies have advanced loans in order to finance these boats. In some cases the boats are owned outright by the fishing companies and leased to the fishermen or the fishing companies have financed them. Since such is the situation, many of the fishermen are concerned about the fact that they are too closely connected with the companies and that they are indebted to them. They would like to be free of this particular obligation, and one way of freeing them is to allow the fisheries improvement loan to be granted not only for the financing of vessels but also for the refinancing of vessels. If the fishery improvement loan could be used to refinance through a disinterested source the vessel of a fisherman who has a loan with a fishing company, then he would have less obligation to that particular fishing company.

The minister explained in the committee today that for various reasons, because of regulations either of the Treasury Board or of the Department of Finance I have forgotten at the moment which, the refinancing of vessels was impossible and was not government policy. However, I really feel that not enough effort and thought have gone into exploring whether or not that would be possible in a situation such as I have described. It seems to me that if the fishery improvement loan is not available through the lending organizations for refinancing it has very limited use, and since it has a very limited use one or two things could happen. Perhaps there could be a provision, such as exists in