

Fisheries Improvement Loans Act

be within the four corners of the bill before the house. Is this agreed?

Some hon. Members: Agreed.

Mr. Davis: Mr. Speaker, the purpose of this bill is first to raise the maximum amount of any one loan to a fisherman from \$10,000 to \$25,000, and also to put the government in funds to honour these obligations by raising the government guarantee to \$10 million in respect of chartered banks and to \$10 million in respect of other eligible lenders.

When the Fisheries Improvement Loans Act was first passed in 1955 the maximum amount of loan authorized was \$4,000, and it remained at \$4,000 until 1965. For this reason, Mr. Speaker, I find some of the protestations of the hon. member for South Shore (Mr. Crouse) rather anomalous in that his party, when it was the government for five years, did not see fit to make any change in the \$4,000 limit.

I would also like to point out that now that the maximum amount of an individual loan is \$25,000 it is possible for a fisherman to finance the construction of a new vessel costing as much as \$37,500, because two-thirds of the funds required can be provided under the Fisheries Improvement Loans Act, and two-thirds in this case is \$25,000. This bill, in other words, makes possible the purchase of equipment costing as much as \$37,500.

● (11:30 a.m.)

This is legislation in respect of improvements. The name of the act, the Fisheries Improvement Loans Act, suggests improvements. It is not intended to accomplish all the objectives of the fishing industry or of the federal government. It is the intention of the government in the next session of parliament to set up a loans program which will enable fishermen, by means of direct loans, to finance the construction of new vessels. So the Fisheries Improvement Loans Act should be viewed in the context of other legislation and other forms of financial assistance made available by the government.

The hon. member for South Shore also mentioned the question of insurance. It is our intention to redraw the fisheries indemnity legislation so as to improve the coverage of fish boats and to reduce the cost of insurance to fishermen.

The question of refinancing seemed to be the main concern of members from British Columbia. However, refinancing is a problem in all parts of the country. The hon. member

for Fraser Valley West (Mr. Rose) referred to the companies owning the soul of the fisherman. There are some 800 loans on the west coast in the nature of agreements of sale. These agreements are conditional on the fisherman selling all his catch to the fishing company which advances the money. This is a hangover, I suppose, from earlier days, the days of barter when individual fishermen were dependent on the companies for their supplies, as well as for the sale of their fish.

This is an old-fashioned way of financing, but perhaps we can hurry it on its way by refusing to recognize it in our new boat licensing scheme. With regard to any new agreement of sale, when one of the fishing companies proposes to refinance a boat for a fisherman it could be required to draw up a proper mortgage so that the financing would be more equitable. In other words, the fisherman would not be obligated to deliver all his catch to a particular company.

Mr. Rose: Mr. Speaker, I wonder whether I might ask a question of the minister?

Mr. Davis: If I may be permitted to conclude my remarks I will be able to stay within the time limit I suggested I would observe. There are fewer companies, as the hon. member said, on the west coast. Indeed, he said that only two large companies are operating there. The fewer the companies the less meaningful these agreements are. However, it is a matter of some concern and I think that with the aid of our boat licensing scheme we can eliminate these agreements of sale.

There are other reasons for refinancing not being part of this fisheries improvement loans legislation. If it were introduced in respect of the fisheries, undoubtedly it would have to be introduced in respect of farming and small businesses through the Farm Improvement Loans Act and the Small Businesses Loans Act. This would require amendments to these acts.

There are good reasons that refinancing is not attractive to the private lenders who are not obligated to make loans under this act. They may find that the government guarantee is useful, but they are not required to make loans. I imagine that the banks and other credit institutions would be less enthusiastic about refinancing loans made by their competitors, small loan companies and so on. This is not of great interest to the lenders. I would think it would also be contrary to the public interest to have an arrangement made whereby a loan could be made by some