

it at some point. He attached some urgency, but he did not say when.

● (2205)

Every week that goes by—it is now July 14—will be a week some point in the future when Canadian shipyards will be out of work. It takes time to negotiate contracts, to complete designs, to identify Canadian content and to put ships together, a lot of time. I wish that the minister were here this evening, and I hope that his parliamentary secretary will at least answer in some way the general question of when we might expect a comparative program and why the subject was not left in place until the comparative program, whatever that is, was brought into public view?

[Translation]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, it gives me great pleasure to answer the comments of the hon. member for Dartmouth-Halifax East (Mr. Forrestall) as it also allows me to stress that the hon. member for Lévis (Mr. Guay) is also interested in this question of assistance to shipbuilding, as *Hansard* reports that the hon. member for Lévis put a similar question about the negotiation of new programs on July 8, namely the day after the hon. member put his question.

Mr. Speaker, the 20 per cent shipbuilding subsidy was to expire on December 31, 1979, and the previous government extended it to June 30 of this year. This government does not want to abolish subsidies once and for all, but rather to put forward another long-term shipbuilding program, and to that end, it is considering holding consultations with all interested groups in the industry. The hon. member says the minister cancelled the program without warning the industry. Well, in developing a new program, the minister wants precisely to consult that industry, and the consultations will take place as soon as possible so that the government may make decisions on such a program by the end of the year.

The hon. member asks when the new program will be announced. The government intends to make that decision by the end of the year.

[English]

The hon. member repeated the affirmations of the minister, that most Canadian shipyards had in their books many contracts which would take some of them close to the year 1982. He did not deny the fact that these construction programs will cost the federal government over \$250 million for ships, and some of these ships will not be out of the shipyard before 1982. In any case, the objective of the government is to put in place a new program which, as the Minister of Industry, Trade and Commerce (Mr. Gray) said in the House, "would be recognized as cost effective, in the best interests of the industry, its workers and the entire economy". At the same time, I must say to the hon. member that I have noted some of his remarks, and I will bring them to the attention of the minister.

Adjournment Debate

REGIONAL ECONOMIC EXPANSION—DREE GRANTS FOR DEVELOPMENT PROGRAMS IN NEW BRUNSWICK

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, on July 2 I attempted to have the Minister of Regional Economic Expansion (Mr. De Bané) identify for me the shortfall in respect to the \$56 million which the province of New Brunswick hoped to receive from DREE. I suggested to the minister that the shortfall would be in the area of \$10 million to \$15 million. He indicated to the House that he understood that approximately \$50 million would be allocated to New Brunswick, which would seem to indicate a shortfall of \$6 million.

My next concern was that the minister take a look at all the estimates in his department and hopefully find some estimates which would not be fully consumed, some of the money of which could perhaps be reallocated to wipe out the shortfall entirely. I am hoping that perhaps tonight or in the next day or so I might get some answers to these questions from the minister.

I would like to refer briefly to the DREE budgets of the past three years. For the fiscal year 1978-79, the expenditures, excluding Devco, were \$525 million. For 1979-80 the forecast expenditures are \$588 million and for 1980-81 \$550 million is shown in the estimates.

● (2210)

If we added the \$50 million set out in the December 11 budget for development and expansion in the Atlantic provinces and in Gaspé, the Minister of Regional Economic Expansion would have available to him, exclusive of Devco, \$605 million in the current year—more money than any other minister of regional economic expansion in the history of the department.

In the House today I proposed a motion under Standing Order 43 to provide that the \$50 million be reinstated from the defeated budget and made available to the Minister of Regional Economic Expansion but, of course, it was not given unanimous consent. I noticed, however, that the minister shared my sentiments and he at least was nodding assent. I do not know where that \$50 million has gone, Mr. Speaker, but I should certainly like to see it go to DREE.

The Devco allowance for 1980-81 would be \$60 million. I should mention that the forecast expenditure for 1979-80 was \$42 million and for 1978-79, \$46 million. I would see, as an added attraction to DREE, a whole new exciting dimension if the selective tax incentives by way of tax contracts with DREE as the operative vehicle, were implemented by the government as was proposed in the December 11 budget. That budget contemplated these tax contracts taking the form of accelerated capital cost allowances for tax credits. I think that in addition to the Regional Development Incentive Act, this new dimension, as a continuing dynamic would be very valuable in the government arsenal in attacking problems of regional disparity.

At the moment the department has under negotiation with the province of New Brunswick three subagreements under the general development agreement. These subagreements involve