

BOOST FOR SHIPBUILDERS

An extension of the Government's national program for shipbuilding was announced by Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce to the House of Commons on November 27.

Mr. Pepin said that the program would "help shipbuilders throughout Canada to obtain export orders". His statement follows:

...As Honourable Members are aware, shipbuilding activity in Canadian yards has been at a low level this year despite the support available for the construction of Canadian flag vessels for domestic use. Employment has seriously declined and will continue to do so.

At the same time, the international market for ships has strengthened. Demand has more than doubled since 1965 and is now running at some \$15 billion a year on the world basis. The extension of Government assistance to the industry which I am announcing today is designed to help our yards share in this strong market.

To penetrate the international market it is important for Canadian shipbuilders to achieve lower unit costs. Multiple unit production is one of the ways to improve cost performance. To this end, the Government has decided on a temporary program of support for the building of ships for export.

RATE OF ASSISTANCE

The program will apply to firm export orders received by Canadian shipyards prior to June 30, 1972. Support will be granted to shipyards up to an amount of 17 per cent of the audited costs of a ship built for export and under 40,000 dead-weight tons. For ships over 40,000 dead-weight tons the support will amount to 14 per cent of audited costs. The rate of this temporary assistance will decline after September 30, 1971 by ½ of 1 per cent a quarter. In determining the base for support, profits will be excluded. Detailed information as to the various conditions of Government assistance will be announced in regulations to be issued in the near future. The necessary approval of Parliament will be sought shortly.

I understand that as much as \$300-million worth of export orders, representing over 14,000 man years of employment for this mainly Canadian-owned and operated industry, may be available to competitive Canadian shipyards which can offer early delivery.

I trust that the Government's decision to give this special temporary support will help to maintain employment during the period until the domestic shipbuilding market strengthens. I hope that the activity generated will place our yards in a better position to bid for continuing export as well as domestic business. It is not intended that during the life of this program our industry should over-expand in relation to anticipated long-term demand.

I believe that the expected higher level of business will help our yards further to diversify their

production and reduce vulnerability to fluctuations in the demand for vessels. It is significant that a number of our yards are already producing efficiently a wide variety of heavy equipment.

In recent years Canadian shipyards have improved their competitive competence and product capability and have increased their productivity and lowered their costs. This process has been facilitated by Government policies directed toward the encouragement of a healthy and viable industry. The modernization of shipyards has been encouraged under the programs of the Department of Industry, Trade and Commerce, and support for such modernization and diversification will be continued....

MOST PROVINCES IN MEDICARE

More than 95 per cent of the population of Canada is now included in the national medical-care program, the Minister of National Health and Welfare, Mr. John Munro, stated recently as the Federal Government made the first monthly advance payment to the Quebec Health Insurance Board in the form of a cheque for \$11,284,400 to Quebec's Health Minister Claude Castonguay.

Quebec, the eighth province to enter the national program, introduced its medical-care insurance plan on November 1. New Brunswick, Prince Edward Island, the Yukon and Northwest Territories are yet to enter the program from which more than 20 million Canadians benefit.

The Federal Government makes monthly advances to the provinces of 90 per cent of the amount of its share. At the end of each fiscal year an adjustment is made, based on the actual cost of the plan in each province. Until all the provinces and territories participate in the program, monthly advances are slightly adjusted when another province enters.

PAY RAISE FOR ARMED FORCES

Mr. Donald S. Macdonald, the Minister of National Defence, has announced increases in pay and allowances for members of the regular and reserve forces, effective October 1, 1970.

In general, the increases amount to 6.06 per cent, varying with rank and occupation. Non-commissioned personnel, particularly corporals, received higher percentage increases.

The revisions, which apply to regular-force general-service officers of the rank of colonel and below, and to non-commissioned personnel, will cost the Department of National Defence some \$20 million in the fiscal year 1970-71 and \$39 million in 1971-72. Pay for officers of the rank of brigadier-general and above has been dealt with separately on the basis of comparisons with salaries of senior levels in the Public Service.