

*Customs and Excise*

industry. We must remember that ocean industry groups behind the shipbuilding industry also have a chance to flourish.

The Government of Canada must not only look seriously at providing this 200-mile custom limit, it must assist the industry which it held back for so long. There is an opportunity for Canada to develop shipyards and ocean industry groups which have the potential for tremendous technological advancement in this field. The Government should look seriously at providing incentive financing. Through the Export Development Corporation it could provide financing to foreign purchasers at extremely low rates of interest. Such long-term loans could be very beneficial to the countries which purchase Canadian ships. It should also provide that type of concessionary financing to Canadian owners and developers of marine platforms and ships. Such financing is extremely important in order to get the industry rolling again, an industry which the Government has shackled for so long.

When the Government took office in July 1980 it decided that assistance under the Canadian Shipbuilding Assistance Program would be cut from 20 per cent to 9 per cent. At present it talks about removing the assistance entirely. Now, when there is an opportunity for the industry to blossom and grow, it is talking about removing the incentives. The custom boundary extension is passive. It is a constructive act, but it is passive. It should contain some aggression to ensure that financing provided for the construction of vessels for foreign owners in Canada is provided for Canadians who want to have ships built in Canada. That would provide the industry with a tremendous shot in the arm.

This is only a starting point. A more active situation is the Petroleum Incentive Program. It will pay 80 per cent of the cost of doing business to oil companies participating in exploration in the Canada Lands. When an oil company wishes to import a leased rig which was built in another country, not only is the cost of leasing covered, the cost of duty is covered under the Petroleum Incentive Program. The Minister must convince his colleagues that PIP should apply only to rigs built in Canada. If a Canadian firm wants to have a rig built here and lease it to an oil company to become involved in offshore exploration, that rig should be covered by the Petroleum Incentive Program. However, if it wishes to purchase a rig from any other country to use in these waters, it should not be covered by that program. It is an enormous flaw in the existing situation which the Government should move quickly to rectify. It is absolutely irrational to provide a taxpayer subsidy at the 80 per cent level to pay leasing and duty costs of an imported marine platform to conduct exploration in Canada.

There is another area in which we have an advantage. The next step has to be one of providing Canada with a Canadian merchant fleet. There is tremendous opportunity in providing Canada with Canadian-built ships and insisting that they be crewed by Canadians. Again the Government appears to be providing lip service in its dying days. Rather than becoming active and aggressively pursuing this tremendous opportunity,

the Government sat on its hands throughout its term of office and said that nothing could be done. It followed consistently its policy that Canadians could not build ships and therefore it was necessary to have foreign countries build them cheaper and better. The Government said that Canadians could not operate ships, although Canada has a maritime tradition which extends back to the time of Jacques Cartier. The Government makes no move to bring home the Canadian Pacific Fleet, to repatriate it. Canadian Pacific Ships is at liberty to carry Canadian cargoes all over the world with no benefit to Canadians. It has its ships built in foreign countries. It means its vessels with foreign crews. Its vessels are registered in Bermuda, London and Singapore. The benefits of its trading accrue everywhere else in the world but Canada.

The particular piece of legislation before us today should have been coupled with a marine industrial strategy which ensure a Canadian merchant fleet carrying Canadian goods in Canadian-built ships, crewed by Canadians and with the benefits accruing to Canada. I am sure Hon. Members on my right would support such an activity.

Outfits like Federal Commerce and Navigation need to be tuned up by the Government. They need to have a more responsive attitude toward the country in which it does business. Canadian Pacific Ships has to develop a responsible attitude toward this country as well. It should display good corporate citizenship. The same applies to Papachristadias. There is a litany of disasters in the marine industry which the Government has tolerated.

● (1720)

It is long past the time that we brought this together into a comprehensive marine industrial strategy which would see Canadians derive the benefits of shipbuilding. This would build world-class industries and leaders in technology. This should be done with the support, not with the opposition, of the Government. Behind that shipbuilding effort we would develop an ocean industries group. It would supply engines and other components for those ships, and marine platforms. It would also provide navigation systems. That group is worthy of support. In its early stages there should be subsidization, if you will, to get it rolling. Once rolling and competing on a world-class basis, there could be low interest rate loans, long-term loans, with specific areas of subsidization for enhancement. But we should get rolling on that.

The other area where something has to be done is very clear. We have to get involved in a Canadian merchant fleet. There is no point sending wheat abroad in Russian vessels or in vessels of Canadian companies that are registered in other countries. I recognize that the Government at this very late date has brought together another advisory committee on developing a Canadian merchant fleet. It is complete nonsense that, task force after task force developing the line that we should be following, studying the subject to death, in order to go out on the hustings in Eastern and Western Canada, in the Province of Quebec, along the St. Lawrence River and important areas along the Great Lakes where Canadian shipbuilding