

*Government Orders*

them across to Europe, down to Brazil or over to Japan or Korea. The repairs and refits should be done here at home because we all win by eliminating outshopping in ship repairs.

We would have loved to have put in an amendment that said: "And thou shall build any new ships in Canada". We would have loved to put in an amendment that said that the Government of Canada should match any subsidies of any other shipbuilding countries until such time as they agree to reduce them instead of what this government did—it was actually started before it came into power—unilaterally to reduce subsidies to shipbuilding. We unilaterally did it assuming that because we were so good and righteous the world would follow suit.

It has not. It is still subsidizing its ships. It is still subsidizing its shipyards because Canadian companies can go down to get their ships built with a subsidy from another country. They would be crazy not to especially when they are fighting for pennies in terms of the cost of carrying commodities.

We have to do something—and this is a very small step—because as I said before there are not many ships left to repair or to refit. We are down to about 60 in the Great Lakes fleet and that number is continually declining. At least one ship will be cup up every year for the next 10 to 15 years. By the year 2000 we will probably have a fleet which is one-third to one-quarter of what we started with in the mid-1980s. That is a big loss. When we think about it in the broader sector—and my colleague who seconded my motion will know this better than I—at some point we will not be able to move our grains off the prairies because the west coast will be choked. It will handle the maximum anybody ever dreamed of. But how do we get the rest out? Will we end up railing it right to Quebec City or to Baie Comeau or Port Cartier so that the salties can pick it up? That is what we might have to do because we will not have the capacity on the Great Lakes to carry it.

• (1130)

This also means that we will not have the capacity to carry iron ore to feed the steel mills. We will not have the capacity to carry coal to feed those same steel mills. We just will not have the capacity any more.

I say to the government: "Please take this small step and give us some hope for our shipyards".

**Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, I think all of us in the House can sympathize with the member's intent here. None of us likes to see the closing of shipyards in the country, particularly members like the hon. member who represent a riding where this business is undertaken.

However this bill deals with coastal trading. Bill C-33 is not intended to revise the government's current shipbuilding policy nor to replace existing Revenue Canada regulations.

Bill C-33 provides increased opportunities for Canadian shipyards by extending the coastal trade definition to include the Continental Shelf and all commercial marine related activities.

By encouraging the cruise industry that would not otherwise exist, Bill C-33 provides opportunities for maintenance and repair of more foreign ships.

There is already a policy in place that aims at encouraging Canadian ships to be repaired in Canada. All repairs that are not of an emergency nature to permit the vessel to return safely to Canada are subject to a 25 per cent customs duty before the ship can revert to coastal trading.

Again, this is a bill to deal with coastal trading. It is not intended to revise the government's current shipbuilding policies so we cannot support this amendment.

**Mr. John Manley (Ottawa South):** It gives me some encouragement, Mr. Speaker, to hear from the parliamentary secretary that the government has a shipbuilding policy. This is something we have been trying to determine over the course of the hearings on this bill and it has been rather difficult to find.

We are supporting this amendment, but I want to be able to put in context what our concern is. It is not strictly the survival of this or that particular shipyard. Indeed the problem in our shipbuilding industry is one of competitiveness. If we do not do something to address that with measures to require Canadian ships to be serviced at our Canadian shipyards, it will in fact over the long term hurt our shippers, many of whom are shipping into an export market. We are conscious of the problem.