

Adjournment Debate

Mr. Jelinek: I can see that the minister is starting to become a little nervy over there when he hears the truth from this side of the House, when he hears that there are potential steps that can be or should be taken. I wonder how long he is going to go on meeting with his counterparts and not resolving anything.

It is not as if the government and the minister did not have any options. There are options, and I have just mentioned a few. However, if the minister is unable to deal with the problems affecting the auto industry in Canada, which seems to be the case, and if the minister is unable to improve the provisions within the Auto Pact for the benefit of the auto industry in Canada, which seems to be the case, and in short, if the minister is unable to take any action in this regard, which also seems to be the case, then I urge him at least to bring this whole matter before the Standing Committee on Finance, Trade and Economic Affairs forthwith for an immediate review of the state of the automobile industry in Canada, as well as an over-all review of the obsolete and inadequate Auto Pact in order that all concerned, namely, management, labour, government and opposition parties could come to a positive, fair and equitable solution in a much needed public debate. The minister and the government have options. For God's sake, let us not waste any more time and let us exercise some of those options.

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

SHIPBUILDING—REDUCTION OF SUBSIDY—COMPARABLE PROGRAM OF ASSISTANCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, the question which brings me here this evening—and I am sorry to see the Minister of Industry, Trade and Commerce (Mr. Gray) leaving—has to do with an area in which from time to time he expresses concern, that is, the well-being of Canadian industry.

On July 7 I asked the minister whether or not he could give us some information as to where the comparable offsetting program stood which was to come in by way of replacement for the reduction in the national shipbuilding subsidy from 20 per cent to 9 per cent. It seemed to us at the time rather shortsighted for the government to reduce one program before it had completed work and put in place the subsequent program. At the time the minister indicated to me that he was not too concerned about it to begin with. I should like to quote him from *Hansard*—I do not have the page number—of Monday July 7, in response to my question when he said in part:

I am advised that most of the Canadian shipyards have relatively full order books to build ships that were eligible for the 20 per cent subsidy.

Elsewhere he argued:

I believe it is a fact that most, if not all, Canadian shipyards have relatively full order books providing them with work until 1982, in some cases, and in others well into 1981—

● (2200)

The fact of the matter is that we have about 18 shipyards in Canada that are active in this program and in fact rely upon it.

What is the current situation today? For example, two Montreal shipyards are out of work. They have laid off 1,400 workers in the marine area in the last eight months. Approximately 700 of these employees were reassigned to the rail car division, but the work in that division as well will run out at the end of this year. By the end of 1980, six other shipyards in Canada will have run out of orders as well. Therefore, a total of eight out of the 18 will have no new orders by the end of this year.

In 1981 three shipyards will run out of work in the spring, two will run out of work in the summer, and two in the fall or early winter. By the end of 1981, 15 of the 18 shipyards will have no work. In 1982, the year in which the minister feels very confident that there will be lots of employment and lots of orders for work in these yards, two shipyards will run out of work by the late spring or early summer. Therefore, by the end of 1982 there will be only one shipyard in Canada with any work under way by way of new orders.

Again I will repeat my concern. The Canadian shipyard industry has come to depend in no small way upon the 20 per cent subsidy. It has been extended by successive governments over a significant period of time now. The subsidy was to run out on July 1, and in fact it was allowed to lapse. It reverted back to 9 per cent which was the level of subsidy and assistance in place some years ago. There are two things wrong with that. First, it was done without consultation with the industry. Second, not only was it done without consultation, at the time of the presentation of their annual brief to the Canadian government, to the minister and his officials involved, there was a clear impression left of support for further extension of that subsidy. That word was pretty well spread throughout the industry. The consequence was that yards seeking new orders and in the course of negotiating for new orders were proceeding at a regular, proper business pace. Matters were not being rushed. There was confidence that the subsidy would be extended and that new orders would be forthcoming for Canadian yards during the summer months and early fall.

Now, that did not happen. If one talks to those who are seeking ships from Canadian yards, their position is simply stated, "Why should we order now at 9 per cent when the Minister of Transport (Mr. Pepin) clearly indicated that there would be a replacement program?" They are not saying what the replacement will be, but why should they order at 9 per cent when they are expecting and awaiting a comparable program? The best information we have, which the minister was not able to correct the other evening, is that we would get