

Export Development Act

all Canadians interested in shipbuilding and in Canada as a striving, developing nation capable of producing goods for export. I maintain that one of the things an exporting country ought to be able to do is carry its own goods around the world and bring the goods it needs to its shores. We are not doing this, and this was amply demonstrated in the figures I produced this afternoon.

● (2112)

One aspect that we tend to overlook is the design and development aspect of shipbuilding. What we are being asked to do in building these ships with designs that are brought to our shores by the British, by the French, possibly by the Greeks—or they may have borrowed from others—is just the same in the shipbuilding area as what hewers of wood and drawers of water do in other areas. We are made to be hewers of wood and welders of steel—that is all. There is nothing in the way of Canadian design going into these ships, and yet we are looking at technology which is part of Canada's tradition.

We all know of the *Bluenose*. In the nineteenth century the *Bluenose* was developed in Canada as a schooner. It was a beautiful ship which was improved and adapted to different sorts of trade. The design was basic. And then when steam came in, we developed steamships and moved into that area as well, but shortly after the war we began to lose the knack of designing our ships. We went into something pretty adventurous after the war when we built the *Bras d'Or*. It was a scary job and we went into it in the belief that we could produce a vessel which would have a greater capability than any other vessel doing the job that Canada should do as a member of NATO. We developed that vessel, but unfortunately it had to be put into mothballs before it became operational.

Out of the *Bras d'Or* came other developments, because it was designed by Canadian designers and developed in Canada. As a result, we were able to produce the best destroyer in the world, namely the DDH. There is no evidence that I can find anywhere in all the answers to my questions to the Minister of National Defence (Mr. Danson) and the Minister of Industry, Trade and Commerce (Mr. Horner) that Canada is continuing to develop and design ships for trade or for our armed services. This is a net loss. Sure, we are keeping our shipbuilders alive, keeping them at work, and that is good, there is no problem about that. But where are our ship designers?

What happened when the Avro Arrow had to fold up because we could not find markets for it? We lost those men. What happened when the *Bras d'Or* folded? As I said, we moved into building the DDH class destroyers, and the technique and design is exportable. It is being used by other navies, something of which Canada can be proud. The programs that are now in force for building 51 ships for half a billion dollars from foreign designs, to travel under foreign flags, means that we are losing the capacity to design our ships. You know, Mr. Speaker, we are reaching the point now where we will have to design a new military vessel or we will have to buy that design abroad, and I think it is shameful. The way things stand at the moment, we will have to buy our designs abroad. Sure, we will

[Mr. Munro (Esquimalt-Saanich).]

put them in our stocks, we will be the hewers of wood and the welders of steel, but not the designers of what goes inside that vessel, and that, I think is absolutely deplorable.

That is why I feel that the EDC should be doing more than it is doing. It should be diverting some of its resources to the development in Canada of Canadian technology in the shipbuilding field and in others.

I see here that Versatile Manufacturing is being supported. I say good; Versatile is a good Canadian product and I hope plenty of support is given to it, not just to produce tractors for export but to help the company develop a better Versatile. Those are the things that this country needs. We do not need just R and D. What we need might be called D and D, design and development of high grade technology of which our university people in Canada are capable. We are producing some of the best minds in the world and we are putting them to welding steel plates. Shame, I say, utter shame!

What is the matter with this government that it cannot provide incentives? What is the industry asking for? Here is an outline of the shipbuilding industry assistance program as published by the Minister of Industry, Trade and Commerce. It is stated that the objective of the program is to maintain a shipbuilding capability in Canada for reasons of security, national sovereignty, maintenance of skilled tradesmen, and employment. Boy, the man has himself wrapped up in the flag, that is for sure! It says we are going to maintain our shipbuilding capability, not a ship design capability. To maintain our shipbuilding capability is to just continue maintaining the ability which the Canadian shipbuilding trades have now. What is happening to the assistance program? It speaks of a subsidy of 20 per cent of the approved cost of a vessel built in Canada. The program has no terminal date, but the subsidy will drop to 11 per cent on November 1, 1978. That is quite an incentive! Then it is to drop to 10 per cent on January 1, 1979, and each year thereafter the subsidy will be decreased by 1 per cent, until it reaches 8 per cent. That is a fine incentive to one of Canada's traditional industries!

Where does the following schedule stand in 1977-78? The following schedule provides the breakdown by province of the estimated financial expenditures under this program during the fiscal year 1977-78. Under the 20 per cent subsidy there will be \$4.5 million in British Columbia, \$10 million in Ontario, \$23 million in Quebec, \$8 million in New Brunswick, \$3 million in Nova Scotia, \$21,000 in Prince Edward Island, \$1.2 million in Newfoundland, for a total of \$52 million in one year. What did I say the EDC assistance was? It is for half a billion dollars.

The shipbuilders and ship designers of this country, to make Canada stand on its feet again as a nation which is proud of its accomplishments and proud of the fact that it can carry its products to other shores and bring the products it needs to our shores, are asking for a very simple thing. In a joint submission to cabinet by the Canadian shipping industry, the Council of Maritime Carriers, the Dominion Marine Association, the Newfoundland Shipowners Association and the St. Lawrence Shipowners Association set down eight points. They want new