

"Most countries today are providing financial assistance either directly for construction operating and interest subsidies or in the form of special taxation, depreciation and concessions or by financial guarantees. The OECD secretariat estimates that for 1970 the cost of government support for shipbuilding was about 12 to 15 per cent of the cost of ships or in the order of \$650 million to \$750 million. This is obviously only an estimate as the great variety of systems and the interconnections between the various forms of government intervention make it difficult to assess accurately the amount of government aid given to shipbuilding. Of the quoted amount, direct construction subsidies accounted for about \$250 million. The various other forms of assistance, i.e., taxation relief, finance for investment, reorganization and research probably account for a similar amount."

● (1700)

We do not have the expertise developed here, but we have the opportunity to develop it, so that those who have been successful in Canada do not find it necessary to import certain of their requirements. The assistance given by Canada for exporting ships may amount to one or two percentage points of interest rate. On a boat costing anywhere from \$20 million to \$30 million, that one or two percentage points amounts to a lot of money. Should, then, the government continue in its present policy of giving a subsidy to those who purchase boats from abroad, giving them cheaper interest rates, which in turn puts the foreign-owned, Canadian-built vessel in a more competitive position than the Canadian-purchased, Canadian-owned and Canadian-operated vessel?

What I want to point out is that in every aspect of the presentations made to the committee on transportation, recognition of government subsidy was given. Whether it was the shippers, the seamen's union, the railroad union, the operators or the manufacturers of ships, all recognized that Canada had to be prepared to put money into the pot if the policy was to be successful. Let me repeat what I said when I spoke last on this matter in the House. When the unions made their presentation to the in-camera meeting at Halifax, they went so far as to say that if the government of Canada had to provide the boats to the operators, it should do so.

I am no less in favour of the principle of this legislation than was the hon. member of the New Democratic Party who spoke a few minutes ago, but I am concerned that we do not trade the devil for a witch. Some of the presentations made to the government never did get to the committee, and most of those who made representations came away dissatisfied with what they heard.

The minister has given us today an outline of certain permissive opportunities that enable the government to do certain things with this act. I wish it to be noted that in every instance, except only the one relating to a penalty clause, things are done at the discretion of the government, since in the second line of the amendment we find the word "may". This is what nearly every businessman has been complaining about in this legislation. The businessman has asked the government to spell out in its legislation precisely what will and shall be done under this act. It should not be put in permissive form, that a group of individuals within the structure of the Department of Transport "may" make decisions. These decisions will in the main be made by people who have never in their lives paid a freight bill, who never in their lives have run a business whose viability might hinge totally upon whether or not it could afford the transportation costs. That is why

Maritime Code

this must be given proper consideration, Mr. Speaker. No amendment to the bill to date has recognized that it may be necessary that the industry be viable both on the water and on the land.

I think it important to read into the record the press release issued by the Maritime Council of Premiers following their meeting on May 25 and 26 held at Charlottetown, P.E.I. They had this to say on national transportation policy:

The Premiers reaffirmed their position that transportation systems should be used by governments as positive tools for the attainment of national and regional objectives. They noted that over a year ago, the federal Minister of Transport had agreed with this policy, but they stated that despite the federal government's agreement with their position, there is an alarming lack of hard evidence that transportation is, in fact, being used as a positive development tool. Indeed, there are examples of just the opposite.

Bona fide consultation is required between governments to ensure that transportation is used to help rather than hinder economic developments. The premiers expressed concern that the federal government is increasing cost recovery within some transportation systems without considering the effects of this on the over-all economy. Consultation between governments should first establish regional economic objectives, they said. Then the undue reliance upon user pay concept should be replaced by the vigorous pursuit of cost effective solutions to these objectives.

They also commented on passenger service, but for the purpose of this debate I will skip that section. With regard to ports policy, which is an integral part, of course, of any maritime code that we might establish, the communiqué said this:

The Premiers expressed support in principle for the federal proposal to introduce a new port administration policy aimed at providing greater autonomy for our major ports. They commented that this is something they have been advocating for some time as they believe it will result in greater efficiency. However, the proposal put forward by federal officials lacks sufficient detail for them to draw definite conclusions as to its true merit. More specifically, the financial aspects must be better defined. For example, the financial performance of maritime ports will undoubtedly be compared with other ports when determining future investments. In making this comparison, consideration must be given to the cost of non-port activities required to keep ports operational. As an example, the fine natural harbours of the east coast require little of the expensive dredging and ice breaking that is required to keep the St. Lawrence River and Great Lakes' ports operational. It may be felt that the development of inland ports is a desirable national goal, and that these substantial expenses should be undertaken in pursuit of such goals. However, Atlantic ports must not be penalized by defining artificial boundaries within which "cost recovery" is vigorously pursued, while ignoring real and substantial costs outside those boundaries.

I think the suggestions of the maritime premiers in these minutes of their news release are very pertinent. There are expenses not considered part of the cost of transportation in some areas of Canada, yet these expenses are in fact part of port expenses.

Let me come now to the coasting trade, and I again quote from these minutes:

The Premiers expressed concern that the safeguards required to protect regional industries against high transportation costs which would result from the removal of Commonwealth shipping in the coasting trade do not appear to have been adequately provided in either the new act or proposed regulations. The Premiers said that at a meeting of the Council of Maritime Premiers and the Premier of Newfoundland with the Honourable Jean Marchand in September, 1973, it was announced that Canada would withdraw from the British Commonwealth Shipping Agreement and reserve coastal shipping to Canadian flag vessels. At the same time, assurance was given by the federal minister that safeguards would be introduced to protect region-