

Borrowing Authority

everyone is aware of that particular fact. Here we are, a major deep sea trading nation, and yet we do not have a Canadian merchant marine. We have relied for years on being able to buy the shipping services we need in the marketplace. We are paying out more than \$3 billion annually to foreign shipping lines for their services, while our unemployment rolls exceed 1.5 million people at a cost of hundreds of millions of dollars. This simply does not make any sense, Mr. Speaker, at least not to me. That is a lot of service, and the practice of buying it abroad derives directly from the current Canadian marine policy of depending on the world market to provide bottoms for carrying Canadian goods overseas. It is a policy which has satisfied our needs up to this point, but whether or not it will prove adequate for our future needs is open to question.

● (1600)

I say this, Sir, because our present policy is cast in doubt by a number of developments in the world of international shipping. Neither does it seem at all prudent at this moment to depend on the international shipping world to provide for Canadian concerns in our northern areas. Nor should we assume that the marine policies we depend on today will enable us tomorrow adequately to cope with problems arising from development of our varied and invaluable offshore resources. We have been able to rely on the free market for deep sea shipping because of a world-wide surplus of vessels has made it possible until now to buy shipping services at very good rates. However, economic, technological and political developments may soon reduce the size of the free market fleet on which we depend. Growth in the world economy, slow though it may be at the moment, will gradually reduce the available surplus of shipping capacity. Furthermore, much of the surplus capacity swinging at anchor today, as we say in Atlantic Canada, while shipowners wait for the market to sort itself out, may never sail again. They may never sail again! They may be so outmoded in terms of fuel efficiency and pollution control by the time world markets strengthen again that they will have become obsolete. This is the danger we face. The world surplus in shipping capacity is, in this respect, more apparent than it is real.

In addition, political developments may reduce the size of the free-market fleet on which current Canadian marine policy depends for its effectiveness. We could find before the end of this decade that Canada cannot as readily obtain, as it does today, ships to carry at competitive rates Nova Scotia's apples to Britain, or New Brunswick timber or lumber to Scotland, or Prince Edward Island's potatoes to Venezuela. The issue, Sir, is a bottom-line issue, it is a pocketbook issue.

I say to you, Sir, and through you to the Government, that anything which impairs the ability of a trading nation to sell its goods has potentially grave implications for the health of its national economy. In such a context the limitations of current national marine policy are readily perceived. These limitations also become obvious the moment the problem of exerting effective and necessary control over Arctic and offshore development is addressed.

We will likely see large-scale commercial shipping invade the Arctic before the end of this decade, Mr. Speaker, since

Canada has proven hydrocarbon reserves in the high North. I was in Frobisher Bay, for example, only last year and I was informed that drilling operations at that time were being carried out in Davis Strait. However, Canada's position in its Arctic waters is that it has sovereign control. Now, Sir, in theory this means ships moving in the region, in particular the Northwest Passage, will be subject to Canadian regulation and control. United States interests, however, reject the notion of Canadian sovereignty over the Passage and they claim it as an international waterway in which all shipping should have access. But the reality of the situation is that we simply do not have adequate means to assert our authority over the North.

Unfortunately, our current national marine policy is not directed toward encouraging development in Canada of the marine technologies which would allow us to exploit fully our opportunities in the North or cope with the problems of sovereignty there, any more than it is geared to deal with the opportunities and problems associated with our offshore resource development. Our offshore resources afford us opportunities which extend well beyond catching fish, well beyond pumping oil. We have a chance to develop here and now in Canada world class technical and ocean engineering skills. We have a moment in time in which to begin building technologies and services which ultimately we can export as readily as we export anything else that we make in this country. But the time to seize that moment, Sir, is now. We cannot fritter away this time while offshore resource development is in its infancy. The time to seize that moment is now not later when other patterns of satisfying those needs have established themselves.

Beyond all that, we need to develop such skills and technologies at home in order to safeguard our interests in actually harvesting offshore resources. The issue is too vital, I submit, to be left to others. No one else will care as much as we do about whether or not Canadian fish and Canadian oil are safely exploited, Sir, in the same waters and at the same time. We need to develop the means to control our own offshore expansion. No one should for a moment imagine that either offshore development or the controls and technologies associated with it can mature in a context other than one established in larger measure by a national marine policy.

It is not hard today, when you start talking about this matter of a national marine policy, to find yourself dealing with an amazing array of issues. The shipbuilders, the ship repairers, ship suppliers, marine unions, all legitimately have something to say on this particular subject. Up to this point we have had a marine policy in this country which has served the nation if not the industry very well. But circumstances, Sir, are changing. There are forces loose in the world of international shipping which may affect the way in which we shall conduct international trade. There are problems associated with Arctic and offshore resource development which require, at least in part, a marine oriented technological response from this nation. In short, we need desperately a national marine policy which takes into consideration these new realities. It must not,