

Minister's judgment that a rate of 20 per cent is sufficient protection. Time will tell whether the Minister is correct. However, we can examine the object of the tariff, that is to say the application to vessels and other marine equipment. That is where we quarrel with the exemption of the tariff with respect to vessels over 100 feet. The Minister prefers 30.5 metres.

Our quarrel is that the historic reason for this exemption of fishing vessels over 100 feet has been lost. I believe this is accurate in that the exemption came into existence at a time when the Canadian fishing industry had to compete with foreign fleets in the deep sea or so-called offshore fishery. At that time Canadian ships would not only have to compete for catch, but for the processing and eventual marketing of the fish that were caught with nations like Portugal and iron curtain countries like Russia.

● (1650)

Therefore this measure was implemented under the appropriate legislation to allow for that kind of competitive situation, and in recognition of the disadvantage to Canadian fishermen if they had to pay a higher amount for their vessels.

However, in 1984 we have a 200-mile zone, as Bill C-16 makes clear. Canadian fishermen are not competing directly with foreign fishermen, at least in the sense that Canada has the right to eliminate foreign nations from fishing the 200-mile zone. If it allows such fishing, it is done so under permit and licence from the Government of Canada. Therefore it can be fairly said that this kind of special protection is not required for international competitive reasons.

Having said that, I have in effect made the case for the Canadian shipbuilding industry which wants to have the advantage of competing for future fishing vessel construction. I can assure the House that future fishing vessel construction would be mainly for vessels in excess of 100 feet. Of course, it would be vital for the Canadian shipbuilding industry to have the opportunity to participate in what may be a very substantial construction program.

Having made the case for the Canadian shipbuilding industry, I want to respond to my own case on behalf of the fishing industry. I know that the Fisheries Council of Canada has grave reservations about the elimination of that exemption. I can say that all Members of the House, Government and Opposition, are between the proverbial rock and the hard place. We do not know whether to side with the Canadian shipbuilding industry and remove the exemption for fishing vessels over 100 feet, or to side with the fishing industry and keep the exemption.

I offer the Minister a base for making the decision. That decision is Canadian jobs. We want more jobs and if they can be provided by the shipbuilding industry on the basis of the elimination of this exemption, then that is the way it should go. If it can be provided by the Canadian fishing industry by way of taking advantage of the continuance of this exemption for fishing vessels over 100 feet, then that should be done.

On behalf of my colleagues, I say to the Canadian Shipbuilding and Ship Repair Association, who made one represen-

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tation, and to the Fisheries Council of Canada who made the opposite representation, that we want to decide in the direction that will provide more jobs for Canadians and eliminate a portion of the unemployment faced by the 1.5 million Canadians now unemployed, not to mention another million who are employed at jobs below their qualifications of those employed part time. While we would like to see this exemption removed with a view to creating more jobs in the shipbuilding industry, we recognize that if it would be to the grave disadvantage of the Canadian fishing industry in terms of job creation in that industry, we understand the basis for the decision.

I will leave the Minister with one thought on that aspect of the matter. It is anticipated that as a result of the restructuring of the Atlantic fishing industry there could be tremendous momentum in the fishing industry over the next years, or decade. This might result in very substantial construction of fishing vessels in the range of over 100 feet. Therefore we want to look very carefully at the projection of that situation, because we could be talking about millions and millions of dollars in fishing vessel construction. If the level of fishing vessel construction was the same as the past few years, perhaps it would not be such a grave problem. But anticipating a substantial increase in the need for fishing vessels means that we would want to look at that situation very carefully.

Having dealt with the problems as they relate to Canada's shipbuilding industry in relation to Bill C-16, I want to talk about the offshore industry, particularly as it relates to the Province of Nova Scotia, and also to the Province of Newfoundland. Both provinces now enjoy substantial activities in their offshore areas resulting from the energy exploration taking place off Nova Scotia and Newfoundland. In the case of Newfoundland, there is the potential of developing the oil reserves in the Hibernia field. In the case of Nova Scotia it is the gas reserves off Sable Island and Venture.

Let me indicate the basis for offshore energy development being vital to the future of Nova Scotia. This is an industry that is worth \$1 billion a year at almost current rates. Furthermore, there has been a projection in terms of the value of the offshore industry in relation to Nova Scotia. In 1982, the amount spent on offshore activity was \$220 million. That is money that is alleged to float back into the economy. In 1983 the amount increased to \$579.4 million. According to the Canadian Oil and Gas Administration, Nova Scotia consequently enjoyed that level of expenditure of offshore activity in 1983. When one considers the formula that \$1 million in expenditures provides 30 to 40 jobs, depending on the level of that employment, we are considering a very substantial number of jobs for Nova Scotia. In that respect it is said that the offshore activity pumped approximately \$101 million directly into Nova Scotia in terms of supply and service there and produced 1,400 jobs for Nova Scotians.

I do not know how these figures are derived and I only put them on the record to indicate how substantial this industry might be for Nova Scotia.

According to a May 8, 1984, report in the *Chronicle Herald*, the value of agreements under the legislation adminis-