

*Government Orders*

• (1620)

The fishing industry itself becomes a place to start and that is where we would start.

Instead of decreasing tariffs, which this government has done under the free trade agreement, it is important that tariffs be increased from 25 to 40 per cent. We make that commitment to the Canadian people. The tariff would apply to all vessels, newly constructed, purchased or refitted outside this country and that would be strictly enforced.

On the other hand, we call for the elimination of all tariffs on vessels entering the country. When they are imported into this country, the parts and so forth needed for vessels, the exceptions that are now provided, would be eliminated. There are so many loopholes in our tariff policy that our Canadian industry is facing dire competition from around the world. Other industries are given concessionary financing by their governments.

Let us look at that. Japan, with the largest shipbuilding industry, offers its ship owners financing for up to 60 per cent of the cost of a new ship, repayable over 13 years and carrying an interest rate in 1988 of 5 per cent.

In Korea, ship owners receive loans of up to 90 per cent. Taiwanese ship owners receive loans of up to 80 per cent. Many areas, West Germany, for example, provide direct subsidies of 20 to 25 per cent on the contract price of vessels. The European Community provides subsidies of 25 per cent on the contract value of new ships.

The concessionary financing and subsidies that are given by these other governments are done as investments in the industry which provides enormous returns to those countries. We know that in our own country when we look at such communities as Victoria, we see the tremendous value to the community of shipbuilding as an industry. Shipbuilding provides good, solid jobs, jobs which involve technical skills and are an important arm of any industrial strategy for any community.

Countries such as Denmark provide special tax and custom duty exemptions. The Netherlands provides exemptions. It is time that the Canadian government, instead of getting out of the business of providing essential and critical support for shipbuilding, began

moving in that direction so that our shipbuilding can become internationally competitive.

This would include tax benefits that have to be looked at. It includes financial assistance in a range of ways.

In this bill we have already begun to address the idea of goods moving between domestic ports. We would add that the provision should be made that these vessels not only must be built and repaired in Canada, but must be crewed by Canadians.

This bill is an important and useful step, but it is only a small step. We urge its support but we say that we will be making the point at the committee that it must go much further than it has already gone.

Let me just finish by making a special plea to the government in the area of shipbuilding. In the last week or so we saw the award of the 12 mine sweepers as they were originally called, or patrol vessels, to Nova Scotia. We from the west coast do not begrudge Nova Scotia the work.

I had the opportunity of visiting the Halifax shipyards earlier this year, as well as the Saint John shipyard where the frigates are being built. We saw the importance to those communities of this kind of work.

We know from our own experience at home the importance of this kind of work. But what we say is that the government has a larger issue than simply shipbuilding and handing out jobs in one area or another. This country faces a constitutional crisis. It is important in the management of the affairs of this government that the government act fairly to all areas of Canada. Shipbuilding is critically important to the regions of Canada. It is one of those very particular industries that has grown up, not in the industrial heartland, but in the regions of Canada.

This government and this Parliament will be going to the people in all regions of Canada asking for their support for constitutional proposals designed to try to hold this country together. This government persists in handing out one contract to one place and another contract to another, yet in British Columbia it is leaving the shipbuilding industry on its knees. This will add to the difficulties we in all parties will have, of urging those from British Columbia to give support to this confederation.