

*Customs and Excise*

ing in Canada was \$1.1 billion. It dropped substantially in 1983 to a value of \$739 million. Expressing that in terms of tonnage, Mr. Speaker, there were approximately 18,900 tonnes of new orders in 1983. Looking at that in terms of employment, that meant that approximately 14,000 persons were employed in Canadian shipyards in 1983.

I think we must consider that as a major factor in relation to these kinds of economic provisions. We have said time and again in the House of Commons that the major economic problem in Canada is unemployment and that it should be the goal and aim of any measures taken by the Government to reduce the amount of unemployment in Canada. It is in that context that I want to make my remarks concerning the provisions of Bill C-16 as they relate to the Canadian shipbuilding industry. We are trying to reduce unemployment in Canada and create more jobs and more job opportunities.

It is no exaggeration to say that acceleration and enhancement of the Canadian shipbuilding industry would result in thousands more jobs for Canadians. It is no exaggeration to say that the 20,000 now employed in the Canadian shipbuilding industry, which was reduced to 14,000 in 1983, could be dramatically increased by substantial increases in the amount of ship construction in Canada. How are we going to do that, Mr. Speaker? I will refer to the remarks made by the Minister in his address.

The Minister said that as a result of measures such as those included in Bill C-16 it would be unnecessary to subsidize the Canadian shipbuilding industry. I want to challenge that remark by the Minister. Looking world-wide at shipbuilding, and particularly at countries such as Poland, not to mention South Korea and other Third World nations which are becoming heavily involved in shipbuilding, one notices some very dramatic factors which affect Canada's shipbuilding industry and thereby affect Canadians. The major factor is simply the amount of government subsidization provided for shipbuilding in the countries I have mentioned.

A few years ago there were many difficulties at the Gdansk shipyards in Poland. The workers were on strike, and so on. We recognized then that the shipbuilding activity in Gdansk, Poland, was a type of unemployment project. There was no need at that point in time for the ships which were being constructed in the shipyards. Because of the world-wide economic downturn, there was no need for increased activity in ship construction. Yet the Gdansk shipyards were turning out large vessel after large vessel. It was really a kind of unemployment insurance.

If Canada had to compete in that kind of environment with a nation like Poland, which was prepared to spend millions of dollars subsidizing the construction of vessels for the world merchant marine trade, the industry would require very substantial assistance. I do not see how that is going to change a lot because of the enactment of Bill C-16. The amount of government subsidization applied to shipbuilding activities in countries such as Poland and South Korea is enormous. It is a much larger proportion than 20 per cent of the value of the construction. It would amount to millions of dollars. In fact, if

we applied a large portion of our expenditures on unemployment insurance, which exceed \$10 billion annually, to the shipbuilding industry, it is doubtful whether we could compete with nations like South Korea and Poland in ship construction.

The point I want to make, Mr. Speaker, is that the provisions protective of Canadian shipbuilding in relation to the vessels and other marine equipment referred to in Bill C-16 are absolutely essential. However, even when enacted, they will not breathe new life into the Canadian shipbuilding industry. With respect to shipbuilding in Canada, we must carefully analyse the international situation. We must determine exactly what is occurring in the nations with which Canada must compete with respect to vessel construction. We must determine, as a matter of government policy, whether the Government is willing to meet the kind of subsidization which is being provided in those competing nations. As I said, I have particularly in mind places like Poland and South Korea.

Japan and other shipbuilding nations are in competition too, but it is not clear what kind and character of subsidization they have. The Japanese would have us believe that their shipyards are more efficient, their workers are more productive and that there is no direct subsidization. In South Korea I do not think there is any pretence that their ability to produce vessels at much lower total costs than nations like Canada is not related to some very specific financial subsidization of the yards, in addition to whatever effective work measures and productive measures they have introduced.

As I understand it, the Canadian shipbuilding industry does not take the position that it is less productive or that its workers are less efficient than those in foreign shipyards. I think it is a fair statement on behalf of the Canadian shipbuilding industry, and particularly on behalf of the Canadian Shipbuilding and Ship Repair Association, that Canadian shipbuilders can compete internationally if the rules of the game are the same. That is to say, if there is no subsidization in terms of financial assistance which can take the form of low interest loans, direct dollar payments or whatever, Canada can compete. However, if there is subsidization, Canadian shipyards must have the same kind and character of subsidization in order to compete. It is as simple as that.

As the Minister and all Members know, one form of protection from competition is tariff barriers. That is what the Government has resorted to in Bill C-16. No Canadian wants tariff barriers unless they are essential. We would all like to compete in a free market worldwide, but that is not possible. We must take the realities of international trade and our ability to compete in international trade into consideration. That is why we endorse tariff protection as an ad hoc essential measure. Once we admit that we need that kind of protection in an industry such as shipbuilding, we must consider the exact kind of protection which is provided.

There is no way that a Member of the Official Opposition who does not have the facts and figures which are available to the Government and Government officers can make a judgement as to whether the specific numbers presented in Bill C-16 are appropriate in the circumstances. We must accept the