

Canada Shipping Act

economics of the situation and what the world price of oil will be.

The policy of the Government is that on the basis of the expectation that there will be increased traffic and particularly tanker traffic in the North, the Government asserts its sovereignty over those waters and will make provision for the safe development of that traffic if it occurs which in all likelihood it will.

Mr. Johnson: Mr. Speaker, after listening to some Hon. Members speaking on this Bill, one would be almost left with the impression that no studies have been done in the Arctic and that native people have not been consulted. I know that that is not true. I am not here this afternoon to sponsor the oil companies, but I know that even without being told to do so by the Government, the oil companies, in anticipation of carrying out oil exploration in the Arctic, have voluntarily asked native groups to go on board the ships that have been carrying out the environmental studies. In fact, I have been in command of ships myself when there have been native groups on board. I have been in the Eastern Arctic in all of the months of the year except March carrying out environmental studies. Some of the things that I hear being said today in an attempt to hold up this Bill are pure nonsense.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have a chance to speak on Bill C-75 and I will certainly touch on the points made by the captain in a few moments. First I would like to deal with the expectations of many Members of the House following the speech made by the Secretary of State for External Affairs (Mr. Clark) regarding the Polar Sea incident. I think we expected that quite a different tack would be taken.

We learned from the Manhattan incident and the passage of the Arctic Waters Pollution Prevention Act that a very strong statement was being made by Canada. Bill C-75 is doing through the back door what the Government would not do through the front door. The sovereign potential of the Arctic Waters Pollution Prevention Act is being diluted by making all kinds of regulatory changes to it that the Government would not dare bring forward for open debate in the House.

The exemptions in this Bill are incredible because what should be done by law is being done almost entirely by regulation. I see that the Parliamentary Secretary to the Minister is here today. When he and his colleagues were in opposition, they pilloried the then Liberal Government for doing exactly what is being done in this Bill. This Bill is riddled with the powers of the Governor General and with ministerial discretion to regulate after the fact what should already be in the Bill, something which the House has not learned to expect but often sees.

I am interested that an Hon. Member from north of 60 would not even touch on the approach taken toward compensating those who are affected by oil spills. This Bill forces the litigant to prove damage, something which has been widely discussed for many years in committee and in the House. Once again, the onus will be on the fishermen, the Inuit and

northern people to obtain standing before a regulatory agency and prove reasonable costs and damages, not actual costs and damages. They have to be able actually to prove those costs. I think it is something the House has to look at very carefully. We should reverse that onus so that it is not the victim who has to prove the damage and the costs involved. Rather, the onus should be on the parties involved in causing the pollution.

Before dealing with this Trojan Horse Bill, I would like to touch on the matter of cost recovery in the transportation field. I believe the Minister of Transport (Mr. Mazankowski) should be dealing with this today because I understand there is a meeting on this matter in Victoria this afternoon. In terms of Clause 4, this exemplifies what I will be bringing forward in my remarks when I speak of how this Bill affects shipping within all Canadian waters. I am speaking of the drydock at Esquimalt, B.C. which at present is earmarked for sale by the Government but brings to the people of Esquimalt over \$26 million per year. The Government now wishes to dispose of this facility largely because of a \$1 million loss reported for 1984.

● (1500)

I would like to deal with cost recovery on that point. While I can understand a decrease in business due to the state of the economy, there seems to have been no attempt to promote the services of this dock to the shipping industry. In fact, the Government has been throwing away business which has come to it. The Minister seems to rely upon private sector middlemen to attract business to the dock and allow those companies to make the profit while the public, again, keeps the deficits.

For example, there is a crane at the Esquimalt dry dock for which the Government charges \$8 to \$9 an hour to operate. The Government pays the operator \$14 an hour. The same type of crane in Portland costs \$35 an hour U.S. plus labour and materials. The largest crane in Esquimalt is charged out at \$80 an hour, while a comparable unit in Portland brings in \$150 an hour, with an additional charge per ton, plus labour and materials with a four-hour minimum.

I am told that even as we speak now Canada is losing a major maintenance contract to the Americans. This is not because of service or price but because of government disinterest in keeping the facility viable. This is a contract to maintain and repair some 30 Polish fishing vessels which, interestingly enough, fish in Canadian waters and take our fish. That contract could be ours for the asking except that the Department of National Defence has stalled closing the deal for some imagined security problem. It is not that we have said no to the contract, we have not given an answer at all. This \$2.5 million contract has been floating between DND and Transport Canada while the Americans have been actively seeking the business. I am also told that an announcement could come as early as Monday that the Polish fleet will pull out and give the contract to Coos Bay, Oregon instead of Esquimalt because the Government has deliberately frustrated the deal. It would seem as though the Government does not want this facility to make money or at least break even.