

CANADA-FRANCE SHIPBUILDING PACT

The largest commercial shipbuilding agreement in Canadian history, valued at more than \$100 million, was announced recently by Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce.

Mr. Pepin said a letter of intent had been signed by Marine Industries Limited of Sorel, Quebec, and two large French international shipping companies — la Compagnie Maritime des Chargeurs Réunis and la Société Navale Chargeurs Delmas-Vieljeux — for the purchase of 12 vessels to be constructed by Marine Industries over a four-year period.

“This transaction is being made possible by the co-operation between my Department, which will provide up to \$21 million to the company under the Shipbuilding Temporary Assistance Program, the Government of the Province of Quebec, the Government of France and Canada’s Export Development Corporation,” Mr. Pepin said. “The Export Development Corporation has indicated its willingness to consider extending long-term credit for 80 per cent of the contract value to the shipowners. Thus, the total credit to be made available to both shipowners would be in the order of \$82 million.”

The letter of intent calls for 12 multi-purpose container vessels, each weighing 15,600 deadweight tons, to be built for the two shipping firms. “This will provide more than 3,300 man-years of employment for Marine Industries and brings to more than 8,400 man-years the total amount of new employment created in Canadian shipyards by the Shipbuilding Temporary Assistance Program since it was announced on November 27, 1970,” Mr. Pepin added.

The Minister said that the ships were container vessels of general purpose type, designed by Marine Industries to meet the strong world demand. “The company, with an order for 12 ships, will benefit from the economies possible by long production runs and this foresight on their part helped them to win this important international order,” Mr. Pepin added.

The agreement will provide for high employment

at the Marine Industries’ shipbuilding facilities in Sorel until the autumn of 1975.

OTHER ORDERS

This announcement came less than three months after Mr. Pepin told of export orders received by Davie Shipbuilding of Lauzon, Quebec for three 80,000-deadweight-ton tankers for Greece, two 14,000-deadweight-ton newsprint and automobile carriers to be built by Port Weller Dry Docks Ltd. for Burnett Steamship Co. Ltd. of Newcastle-upon-Tyne, England, and three 30,000-deadweight-ton petroleum product carriers to be built by Saint John Shipbuilding and Dry Dock Company Limited for Esso Tankers Inc. of New York.

VESSEL-SIZE LIMITS

Mr. Pepin also announced the Government’s decision to lower the minimum vessel-size limits in the Shipbuilding Temporary Assistance Program regulations. The new limits correspond with those in the domestic subsidy program. The effect of this change is to give the medium-size yards in Canada the same opportunity as the large yards to obtain export assistance under the new program. Up to 17 per cent assistance is available. This announcement is expected to be of particular significance to the west coast of Canada, where most medium size yards are situated.

“This gratifying increase in export orders does not affect our domestic shipbuilding program under the Ship Construction Subsidy Regulations,” Mr. Pepin said. “This program makes subsidies available for ships built in Canadian yards for Canadian ownership. More than \$260 million has been provided under the program since 1961.”

Recent domestic orders include two self-unloading Great Lakes bulk carriers to be built by Collingwood Shipyards and an offshore drilling rig to be built by Halifax Shipyards Division of Hawker-Siddeley Canada Limited. These orders will provide more than 1,400 man-years of work in the two yards.

CARIBBEAN AGRICULTURAL LOAN

The Canadian Government and the Caribbean Development Bank signed an agreement recently concerning the administration of Canadian funds being made available for agricultural development in the Caribbean. This is the first major commitment of funds from the \$5-million Caribbean agricultural development fund announced by the Secretary of State for External Affairs, Mr. Mitchell Sharp, last December.

Under the terms of the agreement, Canada is to make an interest-free advance of \$2.5 million (C) to the Caribbean Development Bank in two equal instalments, the first instalment to be paid in cash on

signature of the agreement, the second on April 1, 1972. The advance will be used by the Bank to make low-interest loans to its less-developed member countries. The purpose of these loans is to provide credit to farmers, either through agricultural credit institutions or directly through governments, to assist in increasing the productivity of the agricultural sector or in diversifying the output of this sector.

The agreement was signed at the headquarters of the Caribbean Development Bank in Barbados by Sir Arthur W. Lewis, President of the Caribbean Development Bank, and Mr. G.A. Rau, Canadian High Commissioner to Barbados.