

*The Address—Mr. Joe Reid*

in our peninsula. The Folk Arts Festival which is just about to start in the month of May draws thousands of people from Ontario, Canada, and indeed across the border from the United States of America.

St. Catharines played a far greater role in the early history of Canada than most people realize. It had its beginnings in 1790 when the United Empire Loyalists found refuge and a future in that area. One of those early Loyalist settlers was a man of great vision, William Hamilton Merritt. He single-handedly spearheaded one of the most ambitious early Canadian enterprises, the Welland Canal system. We have just finished celebrating the one hundred and fiftieth anniversary of this great waterway to which is owed so much of Ontario's, of our own, and indeed of Canada's economic development. St. Catharines has sometimes been known as a city which canals have built. Today ships from 75 different countries transport goods to and from the interior of our country through the heart of the city, through the Welland Canal system.

Shipbuilding and drydock repair were natural offshoots of this early canal activity and are to this day. Today 5,000 workers in the Niagara region are employed in jobs directly related to the marine industry, working aboard ship, at the Port Weller drydocks, and on the St. Lawrence Seaway Authority in the operation of the Welland Canal itself. With the longest coastline in the world, fronting as it does on three of the world's oceans, and with the longest most utilized deepsea waterway, Canada is most dependent upon marine transport. No one will deny that marine transport is the most efficient transportation mode for bulk cargoes. For many decades the marine policies of this country have failed to reflect this fact, and our fishing, shipping and shipbuilding industries have suffered accordingly.

During its short term in office, the Conservative government made a strong commitment to the restoration of a Canadian merchant marine fleet. An extensive study was carried out and a report was about to be presented to cabinet for approval just at the time the election was called. With the world's greatest inland waterway available to us and with access to all of the ports of the world, the people of my area continue to wonder why Liberal governments, past and present, over the years continue to sell our natural resources in bulk on a pick-up and carry basis. The opportunities for the marine industry, as well as the technological spinoff therefrom, will inevitably be lost to the Canadian economy with the continuation of this government's reluctance to support a strong marine industry.

While it is said that tolls on the Seaway have not been increased in its 20 years of operation until three years ago, the proposal of a 100 per cent increase over three years is already having a user deterrent effect. Already significant traffic diversions are being made away from the Seaway route, and any increase in tolls is bound to accelerate that trend. History has shown that Seaway toll increases are accompanied by a loss of general tax revenue, if they are and as they are, assessed against Canadian corporations.

But the major basis of our economy in St. Catharines is the automobile. Once 9,000 of my constituents worked for General

Motors, our largest employer. The balance of the auto trade in our city is made up of parts manufacturing which in better times employed a further 3,000 persons. As we all know, the whole industry is in trouble both on our side and in the United States of America. Market planners made a grave error in failing to predict rising oil costs and buyer resistance to the large automobile, and now they are caught.

St. Catharines is fortunate in being a General Motors town, as the marketing of General Motors has been more effective than that of its other major competitors. It has progressively attracted a larger portion of the motor vehicle market. General Motors will be revamping its St. Catharines facilities in 1981 to provide component parts for a front-wheel drive small engine automobile in order to meet the shift in consumer demand, but that will be in 1981. There will be, then, even if only temporary, extensive lay-offs in our community while this change is taking place.

In the short term our automobile parts manufacturers will experience setbacks as most are still involved in the production of parts for larger automobiles. Some of these manufacturers supply Chrysler and so are doubly affected by the events of the last while. These manufacturers are looking for further improvements in the automobile trade pact and are crying out, as is the whole industry, for more government assistance to carry on research and development.

Research and development should be a key priority in the government's approach to the economic development of this country, and in no area is this more important than in the automobile industry today. It is well known that research and development are most effective when industry and universities work together. In St. Catharines we have that ideal working situation with General Motors, auto parts manufacturers and Brock University within a few miles of one another. To date Brock, which has a great interest in the industry, has been receiving very little in the way of grants or promotions.

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General Motors pointed out to me the other day that, whereas between 50 per cent and 90 per cent of auto industry research and development in other countries, such as the U.S.A., France, Great Britain and Japan, is provided by their governments, our federal government funds only about 12 per cent.

The next ten to 20 years are going to be the crucial ones in terms of dramatic technological change in the automotive industry, and if Canada is to have a stake in the future of this industry it must act now and quickly. Studies have already indicated that other forms of energy, such as ethynol and methynol, which are based on feedstocks and on the forest resources with which Canada is so richly blessed, can be economically viable. The technical changes to our present automobile engine would be relatively minor, so conversion to these fuels could be made with a minimum of hardship to the automotive industry and to its workers. With our manpower, our energy resources and our industrial capabilities, there is no reason Canada should continue to see its future role in the