

particular interest to those of us who come from the Maritime provinces, and, I am sure, to those who represent the Pacific coast.

The Canada Shipping Act may be termed the charter of the marine industry in Canada. I am not sure it is a good charter, because over the years the merchant fleet has fallen on evil days. Now the construction of the St. Lawrence waterway brings a new aspect and, we hope, a new opportunity. But at the moment the situation is clouded with failures, and the future seems to be even more threatening. Surely the time has arrived for a new charter and a renewed effort. However, I will not dwell on that matter.

The honourable Leader of the Government in the Senate, in moving the second reading of the bill, gave us a very good explanation of what it is all about. As he said, it is a type of legislation which is better looked into in committee. It is not a bill with principles that can be established; it is composed of many parts, some quite important, others less so. Part of it is just a tidying up of what should have been done before in legislation of this kind.

Before proceeding with a discussion of the amendments, I want to bring to the notice of honourable senators what is known as the British Commonwealth Merchant Shipping Agreement. As you know, on the same day in 1931 that the Statute of Westminster was passed, this merchant shipping agreement was also signed. "Mother" is a good trader, and she valued very highly the shipping interests of her own country and also her connections in Canada. So, when we got the Statute of Westminster, we took with it an agreement whereby we conceded equal rights to all parts of the commonwealth. I have a notion that part of our difficulty today with regard to negotiations, especially with the United States, is caused by this agreement. The honourable Leader of the Government has said that we promised the United States something, and this is an effort to give it to them. I can appreciate the necessity of close co-operation with the United States on the St. Lawrence in connection with the waterways, but this bill goes further; it applies to the east and west coast of Canada and to our international trade. In my belief the United States merchant marine is the most nationalistic and closely-controlled marine in the world; it operates for their own nationals, their own country, and their own capital. They have never been very generous as regards provisions which would help our merchant marine. However, I am all for reciprocity with them, especially on the Great Lakes. I believe, if we are to benefit by the St. Lawrence waterway, reciprocity with the

United States is essential, because their country has the highest standard of living, they pay the biggest wages to their merchant seamen, and we can compete and co-operate with them with benefit to both countries.

There is a paragraph in this merchant shipping agreement which is of importance so far as our fishing vessels are concerned.

Article (12) states:

Nothing in the present agreement shall be deemed—

(i) to derogate from the right of every part of the commonwealth to impose customs tariff duties on ships built outside that part; or

(ii) to restrict the right of the Government of each part of the commonwealth to give financial assistance to ships registered in that part or its right to regulate the sea fisheries of that part.

I want to emphasize this right of regulation as it affects the fisheries, because it is the feature which most concerns me at the present time. I would particularly refer to sections 9 and 11: I think they are the important parts of the bill, as they deal with the rights or privileges of Canadians and also our association with the Americans on the St. Lawrence waterway. In four clauses of section 9 Her Majesty's dominions—which include Canada—are excluded, and that takes away Canada's preference for exemptions in her own country. Now I can quite see that Americans might object to some parts of the Commonwealth Shipping Agreement in so far as section 11 is concerned for that deals with pilots on the lakes, whereas in section 9 the exemptions are general and apply to the sea coasts. The preference belonging to Her Majesty, or to ships of British registry, is abolished. The amendment covers any ship, not only an American ship but a ship from any part of the world, and in four instances it cuts out our preference. It might be that the words "Canadian ship" should be inserted. I do not think we would have very much trouble if we dealt with Canadian ships. There are not many of them and it seems to me that it would be right to do this.

Hon. Mr. Macdonald: Is the honourable senator referring to section 9 of the bill?

Hon. Mr. Kinley: At the moment, section 9, which says:

Section 346 of the said act is repealed and the following substituted therefor:

"Subject to section 347, the following ships are exempt from the payment of pilotage dues:

(a) ships belonging to Her Majesty".

That is the same as before.

(b) government ships except ships entrusted for operation and management to an agency of Her Majesty;

That is the same as before. Then it goes on

(c) ships of such description and size and employed in such voyages as the pilotage authority