

*Maritime Code*

company be Canadian citizens resident in Canada. The primary purpose of these provisions is not to control foreign investment in Canadian shipping companies but, rather, to ensure that there will always be responsible persons within Canada to answer for the actions of a Canadian ship outside Canada. There is a clause in the act that permits present owners who will not qualify under the new law to remain owners of their ships as long as there is no change in their personal status.

Third, the system of port registry has been changed to a centralized registry system and a construction registry has been instituted to replace the recording system for ships under construction in order to allow ratification of the 1967 international convention on registration of ships under construction. The registry will be focused in the national capital region. However, it will be possible for shipowners to continue to file documents anywhere in Canada through local Customs offices which will act as a forwarding agent for the centralized registry. All the procedures relating to registry have been substantially altered in order to fit the new system, and this has made simplification of such procedures possible.

The point I think I should emphasize here, Mr. Speaker, with respect to this registry system is that centralization of records is really essential in order to provide an effective, reliable and universal registration system to ensure titles. But we will want to preserve the direct, personal aspects of registration, such as the ability to file documents, on a local basis as has traditionally been the case.

Fourth, with regard to the measure of ships, provisions relating to this matter have been considerably improved to take into account both the metric system and the new international rules relating to measurement of tonnage, and these should enable us eventually to ratify the 1969 international convention on tonnage measurements of ships.

Fifth, there are provisions relating to provincially-registered chattel mortgages. These permit any schemes concerning registration of chattel mortgages of Canadian registered small craft to continue unaffected where such schemes are provided by the legislation of any province. The only requirement is that notice be given of any such registered mortgage to the registrar of the federal registry. Thus, where there exists a provincial scheme in this respect concerning small craft licensed under the Canada Shipping Act, that scheme may be continued under the maritime code without change, provided simply that notice of the registered chattel mortgage is given to the federal registrar in order that the registry system may provide full title protection.

It may be argued that the ownership provisions of book one are too restrictive in view of the fact that the provisions of this bill require that a two-thirds majority of directors be Canadian citizens resident in Canada. It should be understood that these provisions of the code are not directly related to foreign investment but to exercise the necessary control over a ship which may be outside Canadian enforcement jurisdiction. Such a ship may engage in activities embarrassing to Canada and for which, in some cases, the Canadian government may be held responsible. In addition, these provisions are concerned

with preserving an existing body of Canadian management expertise.

Subsection 6 of the Maritime Code Act provides a saving clause whereby owners of ships registered under the Canada Shipping Act remain as persons qualified to own a Canadian ship notwithstanding the new provisions, but only in relation to ships owned at the time the new provisions on ownership enter into force and only as long as there is no change in personal status of the owner. This clause will enable a smooth transition from the old requirements to the new ones and should not cause any disruption to the shipping industry.

It is possible, too, that the registry provisions of the bill may be criticized by those who object to the centralization of federal powers and agencies. Let me make it clear here that, as a westerner, I am very much one of those who generally sympathizes with these sorts of objections. Centralization simply for the sake of centralization alone, without good and substantial reasons apart from that, is something to which I object. Canada is too diverse, complicated and sprawling a land for a tightly clenched, centralized system of government and administration.

If centralization in some aspects of the government's work is to come about, it must be prompted by compelling reasons and these reasons exist, I believe, in the case of the registry system proposed in the bill. It should be pointed out that the existing port registry system under the Canada Shipping Act could be regarded as a rather wasteful and expensive one. The central registry is more efficient, both from the government's point of view in reducing cost and from the public's point of view with respect to inquiries into registration details. Centralization is necessary in order to take full advantage of modern registry techniques such as computerization of records. At the same time, the most personal aspect of registration—the filing of documents by owners—has been retained as an optional local procedure.

There may be some objection to the elimination of licensing for small craft and its replacement by the registration system on the grounds that it means increased paperwork. There is some merit for this criticism because the documentation under the licensing system was completely inadequate. Every effort has been made, however, to simplify the documentation procedure. Only craft of a sufficient value, related to size and horsepower, to warrant title protection will be registered, and all other boats will merely receive an identification number which implies no greater documentation than licensing.

Registration and the issuing of an identification number will carry a user charge. This is necessary because of the increasing cost of administration of the system. On the other hand, registration of small craft will give the boat owner adequate title protection which he did not have under the licensing system.

Mr. Speaker, may I conclude these remarks in the manner in which I began. Bill C-61 brings to Canadian maritime law a new and important measure of modernization and co-ordination in a comprehensive fashion, designed to be consistent with the practical realities of today's world. It will also place Canada in a position to speak more strongly in international maritime circles, in keeping with our position as a leading world trader. As I