

ourselves out of the market because of extravagant schemes in the labour field for which we will pay dearly in due course.

There is no question in my mind that the United States will soon import lumber from other parts of the world. As we all know, there is a serious trade imbalance between the United States and the U.S.S.R. It is no secret that the U.S.S.R. and the East Block countries have developed a lumber and wood fibre industry as modern and efficient as ours, and it is no secret that some of our own technology which we exported there has helped. Anyone who has travelled in the United States and has talked to senators and other people who are concerned with this matter realize that they will react to our nationalistic and centralistic approach with serious competition in the not too distant future. If Bill C-61 were to come in by 1980, we would face this competition without the United States pressing for any artificial barriers against our products.

This bill should be amended, Mr. Speaker, and it should be tabled for a number of years. We cannot establish any more artificial barriers than we already have, and that is what would happen: artificial barriers would be created to protect an industry which would yet have to be created. Do we not already have enough industries that need subsidies every year? Does our transportation industry not already need to be subsidized? I wonder if it is the intention of the government to use this bill to get away from the heavy subsidies paid to the railways at the present time.

In an attempt to get a cost analysis of Bill C-61, I corresponded with officials of the department of transport and communications of British Columbia. I would like to quote from a letter signed by the minister on April 15, 1976, as follows:

Obviously, Bill C-61 is a "protectionist" device which owes its origins, primarily, to pressures from the central provinces. It solves a problem on the Great Lakes vis-à-vis U.S. shipping. But it hurts in the maritimes and it is bad, bad news in B.C.

The letter continues:

—a senior official with the federal Minister of Transport states that "with regard to section 11, considerable concern was expressed that Canadian ships would lose out to foreign flag ships because they may be non-competitive due to higher operating costs.

The industry which we are artificially creating, and which we already know will need a subsidy, is thus identified. I ask my colleagues and the minister, through you, Mr. Speaker: Who is to make up this subsidy? Where is it to come from? There is nothing left in the bucket. The industry cannot afford any more artificial, any more intervention or constitutional conflicts between the provinces and the federal government. There is just nothing left to give. The letter further states:

—"Upper Lakes Shipping is extremely interested in becoming involved in this movement." . . . Central Canada will build the ships, man the ships and own the ships. We, out on the west coast, will have to use them if they are offered at all. And the additional cost will be borne either by goods coming or going from British Columbia. The netback on our resources will be diminished accordingly.

That is the view of the minister in British Columbia who not too long ago sat in this House, across the floor. I suggest the reason he is not there now is that he recognized then what this government is trying to do. We do not wish to use the minister as an example; there has been a change in government and there has not been time to complete the

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analysis that was necessary for this bill to be seriously considered.

I have here a telegram that was sent to the Minister of Transport, who has said that he consulted the industry as a whole. The telegram, sent March 24, 1976, was signed by a number of coastal industries—the Council of the Forest Industries of B.C., the Mining Association of B.C., the B.C. Construction Association, the B.C. Chamber of Commerce, and the Vancouver Board of Trade. I should like to know which of the coastal industries in British Columbia the minister consulted. If these are eliminated, not many are left. The telegram begins:

Representatives of major industrial organizations in British Columbia have met at short notice to consider implications of Bill C-61 for transcontinental shippers. Represented were—

The firms are named, and the telegram goes on:

The meeting was unanimous in its concern for the effects of Bill C-61 on the level of freight rates for transcontinental shipments. Bill C-61 will eliminate intercoastal shipping as an effective competitive alternate to other modes of transportation. Competitive intercoastal service is an important factor in maintaining a well balanced and economic domestic transportation system. The bill must be amended to exempt shipping between Canadian east and west coast ports . . . organizations will make submissions to your special study committee when they visit Vancouver, urging that section 8 of the bill be amended to provide full exemption for intercoastal shipping.

● (1630)

The industry's position is clear, and the minister has promised study sessions. I suggest that the eastern maritime provinces and the province of British Columbia would like to be assured that this bill will be sent back to committee for the study it deserves. I hope that we can hear witnesses and evaluate the problem, which is not confined exclusively to our coastal trade.

The position of the associated chambers of commerce of Vancouver Island is clear. Incidentally, I think the hon. member for New Westminster will support me when I say that Bill C-61 does not say that Canadian ships should be built in Canada. The Jones Act of the United States requires commercial vessels used in trade between U.S. ports to be of U.S. construction. Even if this bill passes, there will be no assurance that Canadian ships plying our coastal trade must be built in Canada. We shall still be able to buy ships anywhere in the world and sail them under the Canadian flag. This is not the case in the United States. I suggest that the United States Jones Act has been of advantage to the United States shipbuilding industry. While the American maritime industry is protected, we have derived some advantage from using foreign bottoms. Actually, Canadian goods travel more cheaply on American railways than do some American goods, because American railways compete with Canadian railways and Canadian maritime shippers.

May I advance a proposal for the committee to study and on which, hopefully, it will report back? My proposal is that the federal government should alter this legislation to enable us to protect ourselves against countries like the United States which have passed restrictive legislation in this area. Because of the U.S. Jones Act, our shipbuilders cannot sell their ships to the United States. Therefore, restrictions in the legislation should apply only to maritime states which have enacted restrictive legislation.