

*Vessel Construction Act*

serious situation. One of the most serious situations in Canada today is the plight of the shipbuilding and shipping industries. This has just been another case of stalling. Measures should have been brought in last spring to deal with the shipbuilding and shipping industries. The remedial measures, if not brought in last spring, should have been brought in earlier in the present session. The delay simply means that the allied industries of shipbuilding and shipping have been allowed to go further and further down.

Let me say a word or two about the report itself. It gives the history of shipbuilding and shipping in Canada, and a very interesting history it is, too. Hon. members will find a very good summary of the report commencing at page 7. It points out that back in the nineteenth century shipbuilding reached a peak in Canada when, in the year 1875—

**The Deputy Chairman:** Order. I hate to interrupt the hon. member but it seems to me he is discussing the report at greater length than may be necessary to put forth his argument for the purpose of discussing this bill. I do not want to place a limitation on what he has to say, but it seems to me that at times he is hardly in order.

**Mr. Green:** Mr. Chairman, in the speech from the throne we were promised measures to aid shipbuilding and shipping. This is the measure which has been brought down to do that job and in order to see whether or not it is ample, whether it meets the situation, I must certainly go into the shipbuilding question, and once I go into the shipbuilding question I must necessarily get involved in shipping because they are allied industries. I shall not be long but there are a few points in connection with this report which I simply must explain to the committee in order to make my speech intelligible.

Dealing with the history of shipbuilding in Canada the report points out that back in the days of the wooden ships, in the year 1875, there were nearly 500 ships built in this country. In the year 1878 Canada had 7,196 vessels of 1,333,015 tons and ranked fourth among the ship-owning nations of the world. That of course was owing to the efforts of Canadians in the maritime provinces who made such a splendid record in the days of the wooden ships. The report goes on to explain how, with the large-scale production of steel for shipbuilding in the United Kingdom, the Canadian shipbuilding industry fell away to practically nothing.

Then came the first world war which brought a great need for merchant vessels, and again the Canadian shipbuilding industry

became of great importance. But after the war it faded away in much the same way as our shipbuilding industry has been fading away since the second world war. The report states that by 1939 there were on the Canadian registry only 38 regular ocean-going ships of one thousand gross tons and over, totalling in all 241,684 gross tons, of which eleven belonged to the Canadian National Steamships and ten were ocean-going tankers owned and operated by Imperial Oil. In other words, during the twenty years following the first great war the shipbuilding and the shipping industries in Canada had fallen away until there was practically nothing left.

At page 18 the report gives the picture after the second war. In 1948 Canada had 172 ocean-going vessels of one thousand tons or over, with a gross tonnage of 1,178,791 tons. I believe that is the largest ocean-going tonnage Canada has ever had. The figures are also given as of March 31 of this year. The number of ships is reduced from 172 to 145, and the gross tonnage is reduced from 1,178,791 to 981,255. I have not the figures for the end of October, but I think there is very little doubt that they will show that there has been quite a large decrease below the figures for the end of March, 1949.

The report also points out some fundamental factors in connection with these industries in Canada. For one thing it sets out that the cost of constructing a Canadian ship is only surpassed by the cost of constructing ships in the United States. In Great Britain the cost is 25 per cent less than the cost of construction in Canada. Our daily operating costs come second, the United States being \$972.52 a day, Canada \$810.50 and the United Kingdom ranking sixth at \$525.46 a day. Italy, which is last, amounts to \$421.71 a day. The report also points out that because of the position of our trade balances, because of the trouble the other countries are having in getting Canadian dollars, the situation of the shipbuilding and shipping industries has been made just that much harder.

In connection with the Marshall plan the report explains that under that plan half of the goods shipped to other countries must be carried in United States vessels and that the other half has to be carried in vessels of the countries which are receiving the aid, so that Canada gets absolutely no benefit from the Marshall aid plan, so far as shipping is concerned.

Then the commissioners come to certain conclusions. They do not agree that the Canadian merchant marine should be allowed to disintegrate. On the other hand they say we should not aim to have a large enough marine to carry all the goods we export. On