

**Hon. Mr. Connolly (Ottawa West):** No, it never had.

**Hon. Mr. Pouliot:** Honourable senators, I have listened with great interest to the able presentation that the sponsor of the bill has just made.

**Hon. Mr. Connolly (Ottawa West):** I am not the sponsor of the bill.

**Hon. Mr. Pouliot:** Then may I refer to him simply as the honourable gentleman? I am wondering if he has received any protests about this bill from persons who indulge in trafficking in second-hand ships. Some 20 years ago I visited the shipyards of the Clyde, where I saw the stern of the once-famous Canadian icebreaker *Mikula*. Since then I have realized that all those who traffic in second-hand ships are highly patriotic citizens who immolate themselves on the altar of their country.

**Hon. Mr. Isnor:** Like the honourable senator who has just spoken, I appreciate, as we all do, the full background which the honourable senator from Ottawa West has given in explaining this bill. He has covered the ground in a very comprehensive manner. He answered many questions I had intended asking him because of my interest in shipbuilding on the Atlantic coast.

I was wondering whether he could give us some information on the second party to the British Commonwealth Shipping Agreement. Could he enlarge on how that agreement comes into the picture at the present time? An explanation in that respect would complete the very fine picture already given.

**Hon. Mr. Pratt:** Honourable senators, may I also put a question to the honourable senator from Ottawa West (Hon. Mr. Connolly)? The depreciation on Canadian-built ships of 33½ per cent in the first year is beneficial, but does my honourable friend know what the depreciation is on ships which are purchased abroad and are brought into Canada?

The reason I raise that point is that, although we all strongly favour the maintenance of the shipbuilding industry in Canada, because it is a very important and vital industry, the movement of commodities and the transportation of the products of Canada are also very important. In fact, the development of the fisheries and the acquisition of suitable boats, and also the economical movement of such goods, is more important than any part that the shipbuilding industry can have in this connection. With all due regard to the protection of the shipbuilding industry, there should undoubtedly be a liberal attitude toward those people who are going to invest their money in ships which, for one reason or another, have to be purchased outside Canada and brought in. There are many types of ships. For instance, in relation to our

industries in Newfoundland, we have boats built for special purposes, boats which are not constructed in a shipbuilding yard as it is envisaged here. Ample protection and encouragement should be extended to the industries which need these ships.

I would take this opportunity of stating that Newfoundland coastal transportation, which is a fundamental feature of the in-shore fishing industry, is facing up to a critical position, with wooden freighters being lost and no replacements being made because of the high cost of construction. Encouragement should be given to the procuring of these boats from whatever source they can be economically obtained. It is one thing to support an industry for the building of ships, but it is quite another and perhaps a more important thing to adequately support the industry which requires the ships.

**Hon. Mr. Burchill:** Honourable senators, may I be allowed to put a question—on the assumption, of course, that the honourable senator from Ottawa West (Hon. Mr. Connolly) is going to reply to these observations?

**Hon. Mr. Connolly (Ottawa West):** I shall endeavour to do so.

**Hon. Mr. Burchill:** What class of vessels do the regulations discussed here apply to? Do they apply to coastal vessels as well as ocean-going vessels, or are there restrictions as to tonnage, size and so forth?

**Hon. Mr. Lamberti:** Honourable senators, may I put a further question? I presume it is the intention of the sponsor of the bill to have it referred to the Standing Committee on Transport and Communications.

**Hon. Mr. Haig:** If we ever get to that stage.

**Hon. Mr. Lamberti:** I certainly can congratulate the honourable Leader of the Government (Hon. Mr. Haig) upon the excellent presentation from this side of the house of the bill of which he is the sponsor, and I extend to my honourable friend from Ottawa West (Hon. Mr. Connolly) that compliment on his lucid explanation of this bill. I followed his remarks with a great deal of interest.

The point I should like to emphasize now, and which I hope will be dealt with in committee, if not in the house, is this: Does the economic demand for ships in the trade of this country justify this legislation? And, in that connection, does the bill cover the construction of ships for internal use on the internal waterways of this country—viewing that as a separate class of traffic—as distinct and separate from trans-oceanic shipping? I think those two points should be made clear.