

THE SENATE

Saturday, June 28, 1952

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

CANADIAN SHIPS AND SEAMEN

INQUIRY

Hon. Mr. Duff inquired of the government:

1. How many ocean going dry cargo merchant vessels (a) of 4,700 dead weight tons or thereabouts, and (b) 10,000 or over dead weight ton capacity owned in Canada, under Canadian registry are (a) not commanded by Canadian masters and their officers; (b) employed by all or part with non Canadian crews?

2. How many such vessels owned previously in Canada by Crown corporations or otherwise are registered in other countries and do not employ Canadian masters, mates and crews?

3. What was the cost of said ships and their present value?

4. Are there any industries besides shipping, owned in Canada and built up by Canadian taxpayers that are authorized to employ non Canadians, thereby preventing the employment of Canadians at Canadian rates of pay?

5. Is the government aware that members of qualified Canadian masters and other officers who have passed the very strict examinations prepared by the Marine Division of the Department of Transport are forced to serve in positions below those they are qualified for, and some are forced to serve as seamen due to shortage of ships etc?

6. How many times, and what dates, have Canadian coastal laws been suspended or changed to permit the operation of foreign flags or foreign built ships or Canadian owned ships to be registered outside of Canada and in Britain and foreign lands?

7. Are British (not Canadian) and/or German crews still employed on the S.S. *Lumberman*, S.S. *Royal William*, S.S. *Le Grande*, S.S. *Hermane*, S.S. *Lapetite*, S.S. *World Trotter* and S.S. *Malo*, and on what other ships owned by the Canadian government either through one or more Crown corporations or otherwise?

8. Did the so-called Maritime Commission in 1950 or thereabouts agree to the transfer of 123 Canadian registered vessels from Canada to British registry? If not, how many?

9. If said ships were still registered in Canada and employing Canadian crews what amount approximately would be spent in Canadian industry and homes?

10. If so, approximately how much income tax would be received from Canadian officers and seamen and paid into the Canadian treasury each year?

Hon. Mr. Hugessen: The answers to the questions asked by the honourable senator are as follows:

1. According to latest information:

(a) Nil;

(b) Five 10,000 ton ships have other than Canadian masters, officers and crews. Of these five, three were originally loaned to the United Kingdom under "mutual aid", subsequently chartered to the United Kingdom and delivered in the United Kingdom to

Canadian purchasers in 1948. They have consequently never carried Canadian crews since they were built and have never operated into Canadian ports. The other two ships have operated away from Canadian waters since 1948. One of them is on bare-boat charter to Italian interests.

2. 4,700 tons deadweight—30 sold to foreign interests. 10,000 tons deadweight—92 on United Kingdom registry under transfer plan, 68 sold to foreign interests.

3. The average cost of a 10,000 ton vessel was \$1,700,000 and of a 4,700 ton vessel \$1,200,000. The present value is difficult to assess but 10,000 ton vessels have recently been sold for close to \$1,000,000 and 4,700 ton vessels for prices ranging from \$540,000 to \$760,000.

4. The department has no information with respect to the employment of non-Canadians by industries not coming within its jurisdiction.

5. It has been customary for seamen holding higher certificates to serve at sea in lower positions awaiting promotion when vacancies occur in higher positions for which proper certificates of competency may be held. Employment of certificated and other seamen within the provisions of the Canada Shipping Act is chiefly a matter for negotiation between a shipowner as employer and a seaman as employee. To facilitate employment discretion has been exercised under Section 133A of the Canada Shipping Act, 1934, as amended 1948, to enable seamen with inferior qualifications to be employed for a limited period of time in positions requiring higher certificates of competency or until such time as seamen holding proper certificates can be found.

6. The coastal laws have undergone no change nor have they been suspended since the Canada Shipping Act was passed in 1934. The transfer of registry of Canadian owned ships to Britain and foreign lands is not governed by Part XIII of the Canada Shipping Act which deals with the coasting trade of Canada.

Section 665 of the act gives the Governor in Council power to declare that the provisions of Part XIII shall not apply to specified vessels for specified period of time.

Between January 1, 1949, and December 31, 1951, section 665 has been applied for varying periods to 44 various craft, including ships, barges, and scows. In all cases the customs duty called for by the Act has been paid.

7. The Canadian Government owns no ocean going ships through Crown companies or otherwise.