

Paragraph 190. Scale of fees, steamship inspections.

The Canada Shipping Act, R.S. c.29, provides that the Governor in Council may, from time to time, fix a fee to be paid by the owner of every Canadian ship that is required to have a certificate of inspection or a Load Line Certificate under the Act.

The present scale of fees for the inspection of steamships and for the examination of plans of ships and their machinery and equipment, etc., has remained largely unchanged since 1954 when scales of fees previously in effect were revoked. However, many of the rates were not increased at that time and some rates have been the same since 1944.

For the fiscal year 1955-56, after the 1954 revision, the revenue of the Steamship Inspection Service was \$161,000, or 24% of the direct outlay of the Service for the year, \$676,000. In 1967-68, the revenue was \$255,000 or 13% of the direct costs of \$1,994,000.

The Committee recognizes that fees will seldom, if ever, cover total direct costs. The Department gave evidence establishing this fact. The Committee is of the opinion that the Department should review its scale of fees to determine if the scale of revenue obtained is realistic.

Paragraph 191. Year-end transfer of funds to National Harbours Board.

In this transaction in February 1968, the Department of Transport was authorized by the Treasury Board to enter into an agreement with the National Harbours Board, for sharing in the cost of an extension to a wharf in Saint John, N.B. The Department's share was \$860,000, or approximately 50%, and on April 2, 1968, the full \$860,000 was paid in advance by the Department and charged to its Marine Services "Construction" appropriation for 1967-68 as had been authorized by the Treasury Board, making payment in advance of the work being performed, and for no apparent reason other than the lapsing of the appropriation at March 31, 1968.

Although this action was contrary to the intent of Parliament, reducing dependence on annual grants of supply, Treasury Board approved this submission.

The Department of Transport officials admitted it was in error and that part of the blame lies on a bad guess as to timing on their part. The Deputy Minister admitted the action taken was wrong, and that they were taking steps to prevent a recurrence.

Paragraph 193. Removal of explosives from sunken vessel.

In October 1955, a vessel carrying explosives sank in navigable water in the St. Lawrence after colliding with another vessel. Examination of officials revealed that this explosive carrying vessel was not insured. At the time of the sinking, an explosive expert informed the Department that a portion of the explosive cargo presented a possible hazard if not retrieved and destroyed. The Department of Justice advised that the owner of the vessel could be compelled to remove the vessel as well as the cargo pursuant to the Navigable Waters Protection Act, R.S. c.193 and the Department informed the owner that if it became necessary for the Department of Transport to take such action, he would be liable for the cost.