

He may be faced with a liability of thousands of dollars, and we have seen cases where extensive damage and extensive claims have arisen as a result of damage caused by a ship to harbour installations.

The agent will be faced with this liability and with no way of catching up with the ship which is now out of the jurisdiction, and with no insurance to cover him because the liability insurance which a ship agent carries is only to cover his liability arising out of his operations as an agent, and not arising out of the navigation of the ship over which he has no control.

The same thing would happen to the charterer. We have firms in Canada which do charter a large number of vessels. I know of one firm in particular which has some 50 or 60 vessels under charter—under time charter, I mean—and I think it would be unfair to place upon this Canadian firm the burden of assuming liability for all damage which may be done within harbour limits by all the foreign vessels which are under charter to it.

These foreign vessels are covered by insurance, but the Canadian charterer would not be so covered.

I was explaining earlier that a shipowner now would not be covered by his insurance for damage done to board property by the agent or the charterer. I do not want to deal at too great length with marine insurance. I am sure that the committee knows there are two types of insurance which a shipowner carries; one is called "hull and machinery insurance"; that covers him for damage done to his vessel and for damage done by his vessel to other vessels. And there is also what is called the protection and indemnity insurance which is a liability insurance covering the vessel owner against various liabilities that may accrue in the course of his operations; for instance, workmen's compensation claims, liability for damage to cargo, liability for injury to passengers on board ship or people ashore who might be injured by the vessel or its equipment. Let us take first of all hull and machinery insurance. That covers liability for collision with another vessel. Let us suppose the vessel comes into collision within harbour limits with a craft belonging to the harbour board. That risk will be covered by the hull policy, the risk of liability to the board, but the charterer of the ship or the agent of the ship will not be covered under that policy and will have no recourse against the vessel—that might be Norwegian, Swedish, British or American. I do not want to give to the committee too many illustrations, but dozens and scores of illustrations like the one I have just given could be found to illustrate the serious consequences that could flow from the amendments that are sought to be made to section 2 *e* (*ea*) and section 16.

Before closing there is just one other remark I would like to make which shows how far reaching the definition is and what effects it can have. In one particular instance it says that the vessel that is seized for having caused damage to board property can be sold if the claim is not paid and out of the proceeds of the sale the National Harbours Board is paid first and the excess is remitted to the owner which means that the excess of the sale price which remains after settling the board's claim can be given to the agent, the charterer or master of the vessel. The charterer has no interest at all in the proceeds of the sale of the vessel and the charterer may at that time have ended with the charter of the vessel months before. The agent who has acted for hundreds of ships and owners during the season will have closed his voyage account at the time this distribution takes place, and has no interest in the proceeds of that sale. Of course, I do not say that in practice it is likely to happen that the board will pay the agent if ever a vessel is sold and there remains some proceeds but it shows how illogical this provision is.

I have to say to the committee that I am here to criticize and oppose and not to suggest any constructive ideas concerning how the Act should read, but I want to point out to the board that during the 18 years the present Act has