

even Japan could compete with the Pacific coast in the matter of shipbuilding costs; and I am quite sure we can build ships cheaper than they can be built in the Clyde shipyards.

Hon. Mr. Moraud: And cheaper than in the United States.

Hon. Mr. Reid: Certainly cheaper than in the United States.

Hon. Mr. Lambert: May I ask the honourable senator from La Salle (Hon. Mr. Moraud) whether the assistance offered by this bill will enable the shipping industry of this country to export ships to other countries, or are the new ships to be used only for our own trade purposes? If the shipping industry is to be as successful as it should be, I think it should be looked at from the same point of view as any other industry, namely, with a view to producing for sale outside of this country.

Hon. Mr. Moraud: The answer is that charity begins at home. We should first build a fleet which could compete with those of other countries. I am sure the honourable senator from Carleton (Hon. Mr. Fogo) would agree that one of the main reasons why so many sea-going ships are idle today is that they cannot compete effectively with the ships of other countries.

Hon. Mr. Lambert: Is it the assumption that an additional supply of ships would promote trade, or that an additional volume of trade would promote the building of ships? I think that is the equation that has to be considered in connection with this bill.

The motion was agreed to and the bill was read the second time.

THIRD READING

Hon. Mr. Hugessen moved the third reading of the bill.

The motion was agreed to, and the bill was read the third time, and passed.

CUSTOMS TARIFF BILL

SECOND READING

On the Order:

Second reading of Bill 221, an Act to amend the Customs Tariff.

Hon. Mr. Hugessen: The honourable leader of the house has asked the honourable senator from Ottawa to explain this bill.

Hon. Norman P. Lambert moved the second reading of the bill.

He said: Honourable senators, this bill is very brief and simple in its purview. It relates to items 1215 and 1216 of Schedule "C" of the Customs Tariff Act. Item 1215, as set

forth in the bill, relates to the entry into Canada of used cars and trucks. Item 1216 relates to the entry into Canada of used aircraft.

During the past several years, particularly during last year, there have been a number of applications for the entry of such equipment into Canada, but there is no authority under which relief can be granted. In the past year or two a number of cases of hardships have been brought to the attention of the Department of National Revenue. I have in my hand an analysis of some 150 applications for relief in this connection. In addition, there were recorded in the department some twenty-nine written inquiries relating to the entry into Canada, of used equipment, mainly from the United States, but also from abroad.

This bill does not interfere in any way with the ordinary course of trade and commerce between the countries. In the explanatory note the classes of goods affected are enumerated as follows:

Automobiles acquired by Canadians returning to Canada after a substantial period of residence in a foreign country; gifts of automobiles to religious institutions or clergy engaged in religious or welfare work; trucks and aircraft imported as part of the equipment of United States firms engaged in exploratory or development work in the Alberta oil fields; special type aircraft not available in Canada for use in prospecting or in the transportation of supplies to remote areas.

"A substantial period of residence", I assume, would be the better part of a year or maybe more than a year. I have here some examples. Fifty applications for entry were made by persons who had acquired used cars while in temporary residence in other countries. Twenty-three of the applicants were students who were taking post-graduate or specialized courses and who had resided in the foreign country anywhere from one to three years—several were DVA-subsidized. Their reason for wanting to bring in their cars with their other personal effects was to save family transportation costs and to use their vehicles in Canada. Some real cases of hardship were created by the prohibition, and the department's only alternative was to permit temporary entry of the vehicle, which necessitated its exportation later and its sale abroad. Great inconvenience and financial loss resulted in most cases. Nineteen workers who had obtained employment in the United States, and who bought cars to travel back and forth to work, wished to bring their cars into Canada for reasons similar to those of the students. The difference between these two classes was largely one of time—time spent in the foreign country—the student being bound to stay at least one year, whereas the workers usually remained only for