

waters where navigation is sometimes hazardous, where visibility can be limited, where channels are treacherous and so forth. Generally speaking, flags of convenience ships sail on the high seas and have lots of room to manoeuvre. They are not in danger of running aground if they approach harbours and ports. So in my judgment the argument on the question of safety is not valid.

● (1752)

I should like to quote briefly from the Drewry report, Mr. Speaker. Part V deals with the future development and growth of flags of convenience fleets. In the mid-1960s there were probably 1,000 ships in the world sailing under flags of convenience; today there are probably 7,000 to 9,000. There is every evidence that this enormous and rapid growth will continue and I think we should be on guard against it. I am not taking anything out of context but I should like to quote the following paragraph from part V of the Drewry report.

Obviously these criticisms cannot be applied to all free flag operators, some of whom maintain standards as high, or higher, than those of traditional flag operators. However, when an owner does wish to operate a substandard, ill-manned vessel probably the best means of doing so is through a flag of convenience, where he can feel assured of minimum interference in his activities from government levels. With such owners operating perhaps second or third-hand VLCC tonnage, the threat to maritime safety, particularly in congested waters, and to the environment, through pollution, will be enormous.

As we develop our north, the capacity to handle extractive resources north of the 60th parallel grows and the need for waterborne traffic becomes clear, I think it is incumbent upon this government to bring together qualified and interested people who can do the necessary studies which will enable Canada to gain a reasonable proportion of the traffic in resources that now leave this country in foreign bottoms.

Transportation today is more than a tool of economic development in this country; it is an industry and should be recognized as such. About 15,000 Canadian seamen sail in Canadian ships at present but the industry could employ 35,000 or 40,000 if we accepted the UNCTAD proposal for a 40-40-20 split. That will not be accomplished until the government takes seriously the message that the hon. member for Lévis (Mr. Guay) and others have been bringing to this chamber for years. I do not know why there has been delay unless it is because of the direction of this government—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but his allotted time has expired.

Mr. A. Hugh Anderson (Parliamentary Secretary to Minister of Fisheries and the Environment): Mr. Speaker, it will not surprise too many people that I have a passing interest in this subject. To put into a little historical perspective what the hon. member who just spoke was saying, we should remember that as a young and large nation our initial preoccupation was with transportation within the land mass rather than beyond our external boundaries. We have had less than 100 years to provide railroads, highways and air transportation compared with countries like Germany and Japan which have had thousands and thousands of years to develop their transportation systems. It was not dereliction of duty on the part of govern-

Merchant Marine

ments past and present that caused the problem that exists in relation to maritime shipping; rather it was a question of priorities. Perhaps the vastness of our country led us to be too preoccupied with land and air travel.

The two hon. members who spoke earlier—and I congratulate them upon their presentation—were correct in saying that it is time to consider what has happened in our maritime industry. I suggest that not much has happened in the last ten or 15 years. Reference has been made to the report of Mr. Darling, an expert in the field of maritime economics in Canada. According to him, the principal interest situations confronting Canadians are the movement of Canadian resources in the bulk trades, such as coal, ore, et cetera, the role of Canadian ships in the development of the Arctic, and the interests of the container consortia as well as the bilateral shipping policies of other countries.

I think there is a resistance on both sides of the House regarding the shipment of bulk resources in Canadian bottoms. The argument has been put up that somehow Canadian ships are not efficient and that it would cost more to ship Canadian goods in Canadian carriers than in Japanese, German or those of any other nation.

It has also been suggested that this may damage our export market. The UNCTAD Four conference which was held recently recommended that 40 per cent of the exports of a country and 40 per cent of the imports should be handled by the country either exporting or importing. That means that Canada should be using at least 40 per cent of our merchant marine to export our goods. We export tremendous amounts of copper concentrates from British Columbia as well as coal, for which a number of contracts have recently been signed with Japan and other Asiatic countries. We have an export market but all our coal, grain and copper concentrate is going out in foreign bottoms. The hon. member who spoke previously said this is a \$3 billion business. He is right but that does not mean that Canada will pick up the \$3 billion. Using the UNCTAD formula, however, 40 per cent would mean a great deal of revenue.

It is not just the revenue from the shipping industry that would come our way; repairs and building are also very important items. So this debate comes at a good time; we are trying to create more jobs in Canada, and here is an area where a Canadian merchant service could be competitive.

● (1802)

I would like to turn briefly now to the shipping scene. Since Darling wrote his report there has been, with the energy crisis and the reopening of the Suez canal, a glut of ships on the world shipping market. Given this glut on the world market, why would Canada at this particular time be concerned with increasing its merchant marine? If what has been said is true, there is no question that the cost of purchasing ships on the world market is now lower than it has been for many years. I would think, Mr. Speaker, that the time to purchase ships is at a time when the price is low. It is obvious that over a number of years prices will increase again. Although these lower costs