

the required 12 month notice. We are no longer bound by this agreement.

This legislation extends to 1980 the right of Commonwealth ships which operate in our coastal waters if they are granted a permit by the Canadian Transport Commission. The only requirements are that a ship must have been registered in a Commonwealth country on or prior to September, 1974, and that 12 months prior to that date and since it must have operated in Canadian waters. There may be very sound reasons for this grandfather clause. Some of those reasons may apply in the Atlantic provinces, but I do not think they apply on the west coast of Canada.

● (1530)

I believe the committee should examine clause 10 very carefully to make sure that the criteria set out are relative to the situation, and that there is some compelling reason why this five years of grace should be granted to ships of other members of the Commonwealth.

The second loophole which provides for the granting of exemptions is to be found in clause 11. This clause allows the Canadian Transport Commission to issue licences where it is satisfied that the use of a ship other than a Canadian ship is in the public interest. That is a very general phrase. I think one could drive a convoy of trucks through a loophole like that. Mr. Darling suggested that exemptions to permit ships not of Canadian registry to participate in the coastal trade of Canada should only be granted where Canadian vessels are either unavailable, insufficient, or inadequate for the purpose. That is much more specific.

If an applicant for an exemption has to show that there are no Canadian ships available, or no Canadian ships that are adequate or sufficient for the task in mind, that is a clear cut limitation under which the Canadian Transport Commission would be empowered to grant an exemption. But for a clause to provide that the Canadian Transport Commission can issue an exemption to any ship where, in its opinion, the public interest is involved, seemed to me so general, so vague, and so indefinite that it makes the legislation which the House is now debating almost meaningless.

I think there would be a good deal of concern on the part of those who have been pressing for the implementation of this recommendation in the Darling report that under clause 11 the Canadian Transport Commission, on the grounds of public interest, could hand out exemptions to ships of all classes and sorts, with the result that the intention of preserving the coastal trade of Canada for Canadian ships could be completely circumvented.

I would also draw to the attention of the House the fact that clause 11(4) gives the Governor General in Council, on the recommendation of the Minister of Transport, the authority to order the CTC to issue a licence to non-Canadian ships to participate in the coastal trade of Canada. This could mean that even where the Canadian Transport Commission has not been convinced that it is in the public interest to grant an exemption, the minister, by applying to the cabinet, can secure an order in council ordering the Canadian Transport Commission to issue a licence permitting non-Canadian ships to carry cargo between Canadian ports and in Canadian waters.

Maritime Code

I think it is interesting that the provisions relating to how these powers will be exercised are to be spelt out in the regulations. But I point out that the regulations themselves are going to be passed by the Governor General in Council, so that the cabinet will set its own guidelines as to the terms and conditions under which it can order the CTC to grant an exemption. I submit, Madam Speaker, that this is not good enough.

If parliament in good faith is going to pass legislation requiring that Canadian ships shall be used in Canadian coastal trade, I think this House has the right—and I hope the committee will demand that right—to insist that the grounds for granting exemptions must be spelt out in some detail, so that exemptions are not granted easily, either on the recommendation of the minister or by the Canadian Transport Commission on such a vague premise as the claim that to do so is in the national interest. If we do not do this, the legislation we are now dealing with will be little more than a farce.

Let me close by saying that this legislation, which we welcome in so far as it takes the first faltering step toward the objective I have been talking about, is not a cure-all for the shipping problems that confront the country. This is why I hope that the minister early in this debate will set forth what are the government's long-term objectives.

One of the first actions that must be taken is the adoption of a shipbuilding policy by which we can build ships in Canada. When one stops to think, almost every type of material which goes into the building of a ship can be produced in Canada, be it steel, aluminum, copper, or any other ingredient. We certainly do not lack the manpower to build those ships. We demonstrated during the war that we had the personnel to sail ships.

Mr. McGrath: We can give you all the sailors you want, Tommy.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Yes, and not only from the coastal provinces. During the war we demonstrated that Canadians from every part of Canada could sail ships, with proper training. The government ought to be prepared to tell the House now that it has in mind as a long term objective the construction of a Canadian merchant fleet, that it is going to move progressively toward that end, and that the measure now before the House to give Canadian ships preference in Canada's coastal trade is but the first step—a welcome step, but it is still only the first step—in the long-term program that the government intends to put into effect.

I also think the government should take a look at its shipbuilding assistance program. I see no reason why a shipping company should be able to get financial assistance at the expense of the taxpayers of Canada, keep a ship under the Canadian flag for the required period of time, and then put it under a flag of convenience over which we have no control, despite the fact that the ship has been built with the assistance of Canadian taxpayers. It seems to me that the boot should be on the other foot.

If a ship is going to be built with Canadian financial assistance, it should remain under Canadian registry, unless the Canadian Transport Commission can be persuaded that there are good and rational reasons for allowing the owner to transfer the ship over to the flag of another