

*Maritime Code*

al industries against high transportation costs. The Premiers today are sending a telegram to the Honourable Otto Lang urging him to permit the use of non-Canadian vessels according to the dictates of availability and cost. This is essential to enable maritime industries to benefit from one of the region's natural advantages.

● (1710)

The minister has said that the ministers of the Atlantic provinces pertaining to transportation are satisfied with the principle of the bill. As I am satisfied with the principle, so are they. But they are not satisfied with the realities of the bill, not with the regulations which they have seen once and on which they have met once. They have requested further meetings, through members of that committee, when they were discussing other transportation problems in Ottawa. No second meeting has yet been called to consider those regulations, or if it has been called it has been very recently and they have not as yet met.

When the area heard that this bill was to come back on the agenda of the House of Commons, the phones began to ring, because we had assurances, which we extended to the various interested parties in the Atlantic area, that this would not be brought forward again until the fall. The Atlantic area felt it would have an opportunity to make presentations to the government during the summer, or some opportunity while it was before hearings of the Senate or if it should go back to the House committee. They did not have an opportunity to present their case at the committee hearings which were held before. Certain individuals or groups have made presentations to the government and have been unable to obtain satisfactory replies.

One industry which was very deeply concerned, for instance, was the linerboard plant in Newfoundland. It wished very sincerely to give the government the position in which it would find itself, and that position is very serious. Yet it has not been possible to negotiate a firm position for these people so they may be sure they can obtain foreign charters to hold the costs in line with what they can afford. They are transporting hundreds of thousands of tons along the coastal areas of Canada, and any change in the rate which may accrue as a result of this measure will put a very heavy burden of expense on that industry. The figure it used was \$400,000 in one instance.

These people have expressed concern. They believe, for instance, that the bureaucracy of the Department of Transport will control the destinies of a large number of industries in respect of waivers; the shipping industry will not offer their ships for charter in Canadian waters if there is no certainty of a definite term or a reasonable time for charters. This is the type of boat they have been using. It is all right to make all kinds of aspersions, casting them at Onassis and other shipowners on a worldwide basis, but I do not think that will help the case of the coastal industry which depends upon international shipping markets.

They are also concerned about the effect of this permissive, or enabling type of legislation with the changes in policy that can take place. They are concerned that it will not be the minister, but members of the staff who may not be familiar with shipping costs of a particular industry, who will make the decisions in respect of what these industries will pay for the cost of transportation. These people expend approximately \$20 million for coastal trans-

[Mr. McCain.]

portation. That is a pretty large sum of money. If you spend \$20 million for water transportation and your rates go up at all, you are then talking big money. A 1 per cent increase of \$20 million is \$200,000, and a 5 per cent or ten per cent increase, which is anticipated, might put these people completely out of business.

Their concern is that the apparent benefits of the bill to the whole of the Canadian economy might well be offset by the detriment to their companies. The government has not justified that the bill is in the public interest. Members of these industries have attended meetings of the in-camera committee held in Halifax. There have been several meetings along that line, and the same answers have been received. Their comment is that the bill has never been changed substantially as a result of these meetings, and that the most notable government concessions was given in the minister's letter to Jack Davis that the government will not restrict waivers to one year. We already know there are those who must plan for 20 years for the development of this country, and there is a need to have assurances that there will be specific guidelines. Certainly the linerboard plant is among those who must look a long way ahead in the future. That is just one industry.

I must say that I am deeply disappointed that it has been the choice of the leader of the government to bring this bill back. As I mentioned earlier, the people in the Atlantic area had been advised, as a result of the statement by the President of the Privy Council (Mr. Sharp), that this bill would not be back before the fall. They had gone back to mend their fences and prepare their presentations to put before the government or, they hoped, before the committee which was to study this bill further, either in the House of Commons or in the Senate. It was with great consternation that they received the word that this bill would reappear at all.

I appeal to the government and to the minister that the cost-benefit study that was urged by the unions, by the shipbuilders, by ship charterers and by the coastal industry, be undertaken, and that under no circumstances should this bill be put before the House of Commons again until we can have a reasonable measure of its effect on the coastal industry of Canada. It should not return until the minister can lay upon the table of the House a document showing what effect it might have on any industry in Canada which has had the benefit of water competitive rates. It should not be returned until such time as a Canadian shipowner can buy a Canadian ship as cheaply as a foreign shipowner can buy a Canadian-manufactured ship. It should not be returned until such time as the minister can advise this House that the government is prepared to accept the responsibility, which belongs at the government level, to subsidize transportation by water to the degree that it will not disrupt basic coastal employment in Canada.

It is the fear of Canadians that these industries will no longer be viable if they have a severe increase in transportation costs. We need a definite answer. We cannot have more permissive legislation which will be interpreted, on a daily basis, as government policy on a particular day when a particular application appears before the government. This is what the industry fears. The industry wants spelled out a foundation on which to do business. This is not