also liable. And I submit to you, gentlemen, that this provision from a practical point of view has really no consequence at all because of the way things operate; and I will explain that briefly.

Let us assume that a ship in docking at a wharf will hit the wharf and cause damage. The board has the procedural right to seize that vessel and will, in practice—the 18 years the Act has been in force proves it—move to seize that vessel.

Now, that vessel normally is insured, and I would say that in the case of a commercial vessel, it is always insured.

Immediately the right to seize is exercised, or notice is given that the vessel will be seized, the vessel owner, through his agent or insurance company will immediately contact the underwriters, and the underwriters will immediately, through their agent, put up what we call "bail" or security to guarantee that the vessel will be released and not detained.

Well, immediately the board has notice of security for its claim, and having security for its claim either in cash or in the form of a bond from an insurance company, it has no reason to go against the agent or the charterer and never has done so in the eighteen years the Act has been in force.

But I will go a little further. I will say that if the board, under the present Act, were to fail to seize a vessel either by negligence, oversight, or for any other reason, then, after the vessel has left, if it attempts to sue the agent, the Canadian agent or the Canadian charterer, I will say that the Canadian agent or the Canadian charterer can plead that his position has been prejudiced by the failure of the board to act and to seize the vessel. And it should not be forgotten that the agent has no right to seize because of possible liability he might incur if the board goes against him later on.

I will say this: that the agent and the charterer have the right to plead that they have been prejudiced and that the recourse against the agent and the charterer is only a secondary recourse, and a close scrutiny of the provisions of the Act, I submit, prove it, because the words used in the present Act referring to the owner-charterer being also liable to the board, are these:

> "For such injuries, damages, expenses and costs."

The "expenses", of course, refer to the expenses of seizing the vessel and the "costs" mean the legal costs incurred in the action following seizure. Therefore, the Act as it reads now foresaw that the primary recourse would be exercised.

Now, the amendment is quite different, and I would refer the committee to subsection 7 of section 16 which starts with these words:

> (7) Whether or not all or any of the rights of the board under this section are exercised by the board, the board may, in any case described in subsection (1), proceed against the owner of the vessel in any court of competent jurisdiction for the amount owing to the board (or for the balance thereof in the event of any sale contemplated by subsection (3)) and may also exercise against the owner of the vessel any other right or remedy available to the board at law.

The important words are "whether or not all or any of the rights of the board under this section are exercised..."

And that means, if I may paraphrase it, whether or not the board exercises its lien against the vessel and seizes the vessel, it will still have recourse against the agent and the charterer.

Therefore, we have done away entirely with the idea of exercising primary recourse against the vessel. The serious consequence which I want to place before this committee with respect to this section are these: let us assume a foreign ship comes in to one of our ports, and that she damages board property, and no steps are taken to seize her.

She leaves port. But some time later a claim is made against the agent who has acted for her while she was here, getting a modest fee of $200 to do it.