

*Vessel Construction Act*

them is dated Halifax, October 11, and bears the heading "Lack of cargoes ties up ten ships at Halifax docks." The article reads as follows:

Ten ships, five owned by Acadia Overseas Freighters Limited, of Halifax, are tied up here for lack of cargoes. The 7,192-ton freighter *Seaboard Ranger*, owned by the Triton Steamship Company of Montreal, arrived today and became the tenth. Shipping officials said high operating costs, stiff foreign competition and the recent devaluation of the Canadian dollar have contributed to the sharp decline in Canadian shipping.

The other clipping is from the *Montreal Gazette* of October 14. It is a longer article dealing with much the same matter, so I shall just read one paragraph.

Canadian flag owners complained bitterly about their inability to beat the problem. They say that federal assistance of some kind is required, but they shy from subsidization, as affording only temporary relief. They also admit that the government cannot order importers of Canadian products to use Canadian ships as transporters.

When you put that alongside certain paragraphs in the summary of the second report of the Canadian maritime commission, I believe we should carefully consider whether we are throwing good money after bad in building more ships. Again I say that I may be misunderstood, but let me read two or three of the paragraphs summarizing the report.

On page 8, paragraph 7 reads as follows:

During 1946 and 1947 ocean freight rates remained high, there was a world shortage of shipping and Canadian owners were able to find employment for their vessels. During this period Canadian shipyards were able to maintain a satisfactory level of employment due largely to foreign orders.

8. During the year 1948 competition from foreign ships became keener, freight rates declined and currency and import controls were imposed by many countries owing to the increasing world shortage of dollars. Profits in the shipping industry fell off. The volume of work in the shipyards, however, was maintained due to a carryover of foreign orders.

9. At the beginning of 1948 there were 215 dry-cargo vessels totalling 2,080,066 deadweight tons which had been sold to private Canadian operators for Canadian flag operation. It is found that such tonnage is in excess of Canadian maritime needs.

In another paragraph the commission indicates:

It is estimated that a deep-sea dry-cargo and tanker fleet of about 750,000 deadweight tons would be sufficient for the carriage of essential cargoes in the early stages of an emergency and to act as auxiliaries for the defence services. Such fleet should contain a proportion of modern vessels, faster than those comprising the present-day fleet. The present vessels are uncompetitive with foreign flag vessels in liner trades.

It seems to me that the only argument, or perhaps one of two arguments that could be made for assisting the building of more ships in Canada at this time is, first, for

[Mr. MacInnis.]

security reasons; we should keep our shipyards in working condition; second, that we might need a number of faster vessels than any we now have.

Here is another point upon which I should like to have some light. It is questions of this kind which should be discussed in a committee of this house and not in the committee of the whole, particularly with the limited time that we have available. During the year 1948 a great many of the government-owned ships built during the war were sold to private companies with the understanding that if the ships were sold the moneys received would go into escrow and would be used for building other ships. We should know how much money is available now in that fund for building ships. The companies buying those ships obtained them at a very reasonable price; they operated them while operation was profitable and then sold them at a good price to foreign companies that are now operating them and under less favourable wage and working conditions than those maintained on Canadian ships. When they were selling those ships to foreign owners, I think the government should have kept in mind the fact that they would eventually be used to compete unfavourably with Canadian-operated ships. All of these questions should be fully discussed, and they must be fully discussed before we can reach an understanding as to whether we are justified in supporting a measure of this kind, excepting only for the two reasons I have already mentioned, namely, security reasons and the building of perhaps some few faster cargo ships.

Then again there is the question of our international trade—what are other countries going to pay us for the goods they buy from us. On several occasions during this session I have heard statements made in this house that Britain could sell more goods here if their goods were cheaper priced. Now Britain is able to provide the service of transportation cheaper than Canada can provide it, and perhaps cheaper than a great many other countries can provide it. But the moment she begins to take advantage of that position, we begin to develop means to prevent her from exchanging those services for the goods she buys from us. It seems to me that we are being most unrealistic if we think that we can sell our goods to other countries and at the same time refuse to take from them the only goods and services which they can give in exchange.

All of these things should have been brought out and should be well understood by the members of the house before we are asked to make a decision on a bill of this