

Maritime Code

annually, we pay charges of between \$2.5 billion and \$3 billion annually. Less than one per cent of this tremendous tonnage is carried in Canadian ships. This difficulty has confronted us for the last 20 years.

Although I do not wish to be discourteous to the parliamentary secretary who explained the bill concisely, I was disappointed not to hear the Minister of Transport (Mr. Lang) make a statement about the government's long term shipping policy and the objectives it has in mind.

For many years members on all sides have urged successive ministers of transport to formulate and put forward a clearly defined Canadian shipping policy. True, Mr. Howard Darling was appointed and his group has made two excellent reports. Yet, apart from the one or two provisions introduced in the legislation which I shall discuss in a few moments, we have not seen any clear-cut formulation of Canadian shipping policy.

The nub of the matter is that Canada has allowed itself to be entirely at the mercy of the world shipping cartel. The effects were evident in 1973 and 1974 during the oil crisis when we were forced to move western crude oil to Vancouver, thence down the west coast, through the Panama Canal, and up to east coast ports.

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At that time, when some of us were pleading with the then minister of energy, mines and resources, now the Minister of Finance (Mr. Macdonald), to enter into state trading arrangements by which the Government of Canada could purchase oil from oil-producing countries, the minister admitted that the multinational oil companies controlled a very large part of the shipping facilities for moving oil on the seas of the world. That situation is not going to improve. It is likely to get worse. The Arab countries are investing very large sums of money in the construction of oil tankers.

It is significant that in the last ten years there has been a switch in our sources of oil supply. Ten years ago 80 per cent of our imports came from South America, mainly, Venezuela, and the balance from the Middle East or Africa. Today 75 per cent of our oil imports come from the Middle East and Africa. This means we are going to be increasingly dependent upon the oil tankers of the multi-national oil companies and of the shipping cartel, and we will be paying a very heavy price for the movement of that oil.

One fact is very significant. During the period when we were moving oil from western Canada through the Panama Canal, of the 32 tankers used in moving western oil through the canal not one tanker was a Canadian ship. I make reference as an illustration to the UNCTAD proposal which was supported by many of the sea-faring nations. It suggested that 40 per cent of a country's trade should be handled on a national basis. Canada in that instance abstained.

Canadians have a right to ask why we are in this unenviable position. It is not because we cannot build and man ships. We who are old enough will remember that during the war Canada did develop a merchant fleet. We built ships and manned them. We had the materials with which to build ships and we had the personnel to sail them. In 1947, we had between 200 and 300 ships under Canadian

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

registry. Today we have less than ten. In fact, the last figure I saw showed a total of only three.

Some of the ships that have been built under the government's shipbuilding subsidy program were transferred to foreign registries after the required period of time expired. That is not a situation or condition of which any nation can be proud, particularly a leading trading nation. It was for this reason that Mr. Darling was appointed to make a report. He recognized very clearly and distinctly the need for a Canadian merchant fleet. In his first report in October, 1970, he said, and I quote:

The use of Canadian flag shipping remains a valid long-term objective not to be achieved at one stroke but step by step as our ability to protect our interests in the field becomes established and yields practical results.

When Mr. Darling said "not to be achieved at one stroke", he certainly did not mean the government should take five years from the time he filed his first report to take only a very faltering step, with no long-term objective as to whether that faltering step will lead to successive steps that will eventually give us a Canadian merchant marine.

Mr. Darling quite properly pointed out that there was a need for haste. He made it clear that shipping was being concentrated in fewer and fewer hands. Therefore we are not dealing with a free market with respect to major shipping. We face the prospect of being subservient to a shipping cartel. He points out that more and more foreign governments are investing in shipping and directing that shipping under their control so that they can use it for whatever political purpose, economic or trading objectives they have in mind. Some South American governments are now discussing the advisability of requiring all shipping to and from their ports to be carried on ships of national registry.

Because he recognized the seriousness of the situation Mr. Darling recommended that the first step should be that all ships engaged in trade between Canadian ports must be of Canadian registry. Since 1970 members on this side of the House have been bombarding the government with questions as to when this particular recommendation of the Darling report of October, 1970, would be implemented. We now have legislation which we welcome in so far as it takes this first step as recommended by Mr. Darling.

We think this legislation will be helpful. We are, however, concerned about some of the loopholes which are to be found in Bill C-61. I express the hope now that the standing committee which will be examining this bill will give some of these apparent loopholes very careful consideration. I also hope the government might be prepared to clarify and amend some of the provisions of the legislation so as to plug these loopholes.

The effectiveness of this legislation depends almost entirely on how the government handles the exemptions provided for in the bill. There are two main loopholes, as I see it, providing for exemptions. The first is clause 10 which gives the Canadian Transport Commission authority to grant permits to Commonwealth Country ships so that they are allowed to operate in our coastal trade until 1980. I commend the government for having given the required notice under the British Commonwealth Shipping Act. The notice was given in 1974 so we have complied with