sented by Bill C–33, and the Jones Act itself, you notice some quite startling differences.

The Jones Act in the U.S. reserves the coasting trade of the United States to American ships, period. There is no waiver system in the Jones Act that would permit the use of foreign registered ships. It is impossible to compare our system as set forth in Bill C–33 with licences and waivers to the Jones Act. The Jones Act is far more protectionistic.

We have already talked a bit about the waiver system so I will not prolong that.

Second, regarding the rules of origin, the Jones Act reserves the U.S. coasting trade to American–built ships only. There are no exceptions. There is no ability to build a ship heavily subsidized in Brazil, for example, and then import it, having paid duty on it, to the United States.

Bill C–33 reserves the Canadian coastal trade to vessels built in Canada or built outside Canada but upon which a 25 per cent fair market duty has been paid. That is a major difference, particularly from the point of view of our shipbuilding industry.

Concerning the crewing of vessels, under the Jones Act American flag ships used in the U.S. coasting trade must be crewed with United States citizens. I am sure this will not surprise the House, having heard a few things about the Jones Act already.

Under section 2 of the Canada Shipping Act, it is required that the master, mates and engineers on Canadian ships used in the coasting trade be properly certified officers. The Canada Shipping Act makes no reference to the qualifications or residency status requirements for deck hands or engine room crew. Bill C–33 is silent on the issue. Foreign workers employed in these positions would be governed by the generally applicable rules and regulations of the Immigration Act.

Regarding ownership, American flagships must be owned by U.S. citizens or by a company incorporated in the United States and 75 per cent owned by U.S. citizens. The Canada Shipping Act is silent on the ownership of Canadian shipping companies.

On remission of duty to passenger ships, because no foreign built passenger ships can engage in the coastal trade of the United States, there are no remissions of duty with respect to such ships. The Canada Shipping Act is silent on the issue but full remission of duty has been granted on passenger ships having accommodation for more than 100 passengers by Order in Council.

The point of this is simply that the government is sitting at a trade negotiation table at the present time with the United States. The United States is engaged in the most extreme form of protectionism with respect to its own coastal trade.

The draft NAFTA text that was released indicates no weakening of its position on that. The minister of trade said in the House that breaking open the Jones Act is one of the key objectives of the policy of the government with respect to trade and the negotiations of a North American free trade agreement.

Like some kind of international boy scouts, here we are bringing in legislation prior to the completion of the trade negotiations with the United States, saying that if a U.S. ship wants to ply our coastal trade, it need only apply for a licence. There is no waiting period required. All that need be shown is that no suitable Canadian vessel is immediately available and a licence will be granted to our good friends from the United States.

As is often the case with extreme protectionism, it builds up a very weak domestic industry. We could compete very well with the United States if we were to break open the Jones Act. We do not need a Canadian Jones Act, but I find myself confused about what the minister portrayed takes to the table when he sits down to negotiate with the United States. What is he proposing to give up in order to break open the Jones Act?

He has nothing to give up. He has already given it up.

We have seen this happen before with this government and the way it conducts trade negotiations. It knew the Americans found the Foreign Investment Review Act to be offensive. Did it try to take that to the table when it negotiated the current free trade agreement? No, it repealed it voluntarily before it ever went into the negotiations.