

Maritime Code

page 30:7. These words were introduced into the record by the president of the Seafarer's International Union and were also endorsed by the CBRT:

Third, grandfather rights set out in clause 10 should expire on September 23, 1978.

In 1973, the then minister of transport announced a policy restricting the coasting trade of Canada to Canadian ships and indicated that there would be a five-year period of grandfather rights in favour of the British ships then engaged in the coasting trade. We think the five-year period should commence from September 24, 1973, which was the date of his announcement, or at the very latest, from the date on which notice was given to the Commonwealth countries that Canada was withdrawing from the Commonwealth Shipping Agreement, which was on April 26, 1974.

He then went on to urge the committee to give consideration to this matter, and I think the committee did give it consideration. I appreciate the arguments that have been put forward on the matter by the parliamentary secretary, bolstered by their expert witness, Mr. Maloney, that from the point of view of formality the later date was the best date to follow. However, our reaction is somewhat different. We have been trying for 15 to 20 years to re-establish the framework within which we can redevelop not only a foreign deep sea fleet but strengthen and bolster the existing coastal shipping capacity and capability which Canada has.

Most of Canada's trade is now carried in Canadian ships, so there is not going to be any great problem here. I think 75 to 80 per cent of our export trade, not only today but traditionally, has always been carried in Canadian ships, so not too many ships are going to be affected. The hon. member for Capilano (Mr. Huntington) yesterday expressed to the House fears he had about interference or intervention with competitive rates for the movement of goods. That aspect is present and we do not treat it lightly, but what I am saying is that so far as our coastal trade is concerned the matter is not significantly important. A relatively small percentage of our coastal trade is carried in other than Canadian registered and crewed ships.

Where this does have an impact is that it affects, morally—and, I suppose, philosophically—our approach to the development of a Canadian merchant marine. Canada had some 452 registered ships serving in liner conferences alone in and out of our country last year. If we went to the UNCTAD arrangement and the new code of ethics for liner conferences, in terms of securing forever 40 per cent of our incoming and outgoing export traffic it would mean 175 Canadian ships. Under the UNCTAD arrangement, 55 per cent of the major carriers of the world have already endorsed this particular proposal, but this is getting a little far afield from the date of withdrawal from the Commonwealth shipping arrangement.

I am attempting to draw to the attention of the House that we are talking here about at least 7,000 new jobs for Canadians. For example, the Halifax shipyard in my own constituency will come to the end of the offshore oil drilling rig construction and development program some time within a year. What is going to happen to the 600 or 800 men who are going to be laid off? We are trying to create work for our shipyards. We are trying to create jobs for our seamen, merchant service officers and Canadian suppliers. We are talking about hard-earned money. A total of \$2.7 billion is being given away to the cartels in Toyko, New York, London and Athens. I want this to come home to

[Mr. Forrestall.]

Canada, not in 15 years or in 10 years but as soon as it can be done in an orderly fashion. I want us to hold strong to this point.

● (1440)

Someone might ask what difference it makes whether the anniversary date is 1978 or 1980. Probably the only difference it makes is that it points out to the people of the world that we are serious in our intention to keep some of this amount of \$2.7 billion for our own use rather than give it away. A number of recommendations were made by the somewhat scholarly report of the Darling commission in respect of an international shipping structure for Canada. I am sure members of the House have read this report. Some interesting comments were made in respect of Canada's position if we continue to rely on foreign shipping.

There are some interesting comments and observations about our procrastination in this regard. It is pointed out that we must not only be doing these things, but we must be seen to be doing them. We have the situation of our wood being shipped from British Columbia to Japan in Japanese ships. Our lumber from the west coast is being shipped on vessels of foreign registration. Our potatoes are being shipped from New Brunswick to the United States, to the Caribbean and to Europe in foreign registered ships. Why? By taking the extreme end in establishing the anniversary date beyond which the grandfather rights will not apply, except in the absence of a suitable Canadian ship, we are seeming to say to these countries that they can carry on and use our dollars because we need their vessels. We have heard the argument that we really cannot compete offshore in respect of exports because of the cost of a crew. That was true 40 years ago, but it is an insignificant factor now in respect of today's highly automated vessels and ships. It really is not an argument.

I come back again to the position in which we find ourselves. We are saying, in effect, to the countries of the world that we will do this even if it takes 100 years. We should tell the world we intend to do it as quickly and efficiently as we can, and that the delay will only be for two or three years. This probably is a relatively minor point I am making. However, what is at stake is a substantial Canadian industry. Every other significant transport industry in Canada today is protected and subsidized. But this industry for a long time has been treated as an accident of circumstance, while in fact it is an integral industry; it is a major industry in Canada. We are talking about 14,000 seamen and another 3,000 to 5,000 officers and engineers. Any industry which employs 14,000 people is a substantial contributor to the Canadian economy. Let us tell the people around the world who are hauling our exports because it costs them a few dollars less for a crew, with the exception of the Russians and one or two other countries, that we intend to do it ourselves, not at some point in the future but at the first possible opportunity.

I suggest that notice was clearly given to the countries of the world, particularly the Commonwealth countries which are members of and were participants in the Commonwealth agreement, that we want to see that amount of \$2.7 billion which we lose in the form of transportation costs revert to the Canadian consumer and come back to the government which can squander it, if you like. We want it to come back to Canada so that it might be the