

Vessel Construction Act

Mr. Chevrier: I suppose a typed copy could have been tabled, but the practice is to ask the printing bureau to print the report, as in the case of all other agencies under the jurisdiction of the Department of Transport that are required to do the same thing. There are a number of other things to which my hon. friend referred. He said that there was no policy on the part of the government in so far as shipbuilding and shipping are concerned. As I said a moment ago, I am not going to deal with shipping. I hope it will be possible to deal with it at a later date. I want to challenge the statement of the hon. member for Vancouver-Quadra that there is no policy so far as the shipbuilding industry is concerned. There is a very definite policy which has been stated from time to time, and which meets the recommendation of the maritime commission, of a nucleus for shipbuilding.

I think the report clearly states that as a nucleus the shipbuilding industry should have an average of 7,000 men employed each month in the shipbuilding and ship-repairing industry, and second, that \$28 million per annum should be spent by way of new construction. I think I announced not so long ago that within the last two years there had been \$51 million committed for government orders alone, in Canadian yards, for building, conversion or repairs. There were employed in those Canadian yards at the end of October, I believe—I am just quoting from memory—some 8,823 men in both the shipbuilding and ship-repairing industries. Over and above the \$51 million to which I have referred, \$17,246,000 had been committed for shipbuilding and ship-repairing in a period of two years on account of domestic and foreign orders. For all orders these moneys total roughly \$70 million in the last two years. That is going away beyond the recommendation contained in the report of the maritime commission.

Moreover, the maritime commission is charged with the co-ordination of government building for all departments and, as is stated in the report, it is in a position to plan government shipbuilding to be performed and carried out in Canada, in order to preserve a nucleus as recommended by the commission. The hon. member for Vancouver-Quadra made a considerable number of remarks dealing with the shipping industry which I do not propose to review. There is one exceedingly important feature in connection with the whole matter which was discussed by the senior member for Halifax, and I think also by other members. These members suggested that the coastal or inland shipping

trade should be restricted to Canadian vessels only. I believe it was the hon. member for Cape Breton South who made the statement that this trade was being impinged upon by vessels of foreign flags. I do not want to make a statement at this time concerning this matter. I am not in a position to say at this time whether or not the coastal laws of the country should be amended. In fact, if that were so, it would be necessary, as the house knows, to amend the commonwealth shipping agreement. In order to do that it would be necessary to hold discussions with the other commonwealth countries and, as the senior member for Halifax stated, notice of one year would have to be given. In the discussions I mentioned a moment ago, now taking place between the chairman of the maritime commission and the British authorities, this is another matter that has come up; and I think it would be inappropriate for me at this time to make any statement that might prejudice those discussions.

In reply to the hon. member for Cape Breton South, who is not now in his seat, I must say that under the Canada Shipping Act a ship which is not British may not transport goods and passengers from one place in Canada to another place in Canada, either directly or by way of a foreign port. Furthermore, even a foreign-built British ship cannot do that unless it pays a duty of 25 per cent of its value and is thereupon licensed to engage in coastal trade. Subject to that statement, every ship that engages in our coastal trade must be built, registered and owned in some part of the commonwealth. Because of that regulation it becomes almost prohibitive for a foreign-built British ship to operate in the coastal waters of Canada.

Someone asked how this would affect the replacement plan, and suggested that this legislation was in direct opposition to what is being done under that plan. My answer is that what was done under the replacement plan was excellent. The money collected amounted to over \$26 million. When we received those funds, which were placed in escrow, we collected upward of \$9 million by way of payment of mortgages on the Park vessels which had been sold by war assets and Park steamships to Canadian owners. The balance of these moneys, some \$14 million, remains in the escrow fund for building in Canada. So surely no one can attack the replacement plan or replacement fund at least as far as this bill is concerned, because all the money remains here for construction in our own yards. Someone suggested, too, that this might be throwing good money after bad. This is not throwing good money away at all; the government is not losing anything. This simply accelerates the depreciation on