TOP SECRET

Legislation; Canada Shipping Act amendment, re sick mariners

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1. The Minister of National Health and Welfare reported that Part V of the Canada Shipping Act authorized free medical and surgical treatment for sick mariners who were members of the crews of ships that had paid dues. Dues were set by the Act at 2 cents per ton of registered tonnage payable not more than three times in any calendar year, with the initial payment being not less than \$2.00 per vessel. The legislation, generally speaking, provided coverage for ships engaged in interprovincial and international trade, with the payment of dues being compulsory. It also provided that vessels engaged exclusively in fishing could come under the plan, if the master or owner decided to avail himself of the service and pay dues. The bulk of fishing vessels were of small tonnage and the initial payment of \$2.00 which was required constituted the payment of dues for the entire year. The ships within the coverage, therefore, were foreigngoing vessels and coastal vessels in interprovincial trade for which payment of dues was compulsory, and fishing vessels for which payment of dues was optional.

Some government vessels came within the scope of Part V as being engaged on interprovincial voyages or in voyages which operated between a port in Canada and a port outside. Others did not, but nevertheless, for many years payment of dues had been accepted from all government owned or operated vessels that desired to take advantage of the service. The propriety of accepting dues from all government vessels had been questioned, and the matter had been referred to the Department of Justice. In the opinion of that Department, only such vessels as would pay dues if privately owned and operated, either compulsorily or on a voluntary basis as fishing vessels, were entitled to do so. Other vessels owned and operated by the government of Canada were not within the application of Part V of the legislation and notification had accordingly been given to the various departments concerned that, from and after January 1st, 1955, they would be excluded from the plan.

The original purpose of the legislation was to ensure that sick or injured seamen from foreign vessels, left in Canadian ports for treatment, would not constitute a public charge, and the service so authorized had been extended to include the various classes of shipping outlined.

Until 1942, the amount collected had been sufficient to pay for the services given. Since 1942, however, the cost of services had been increasingly higher than the total of dues received. In the fiscal year 1953-54, the total cost of service was \$792,317.11 while the dues collected amounted to only \$316,226.15. He proposed, therefore, that, during the coming session of Parliament, the Act be amended to provide for an increase as well as some re-adjustment in the amount of dues so that they would meet the cost of service. RG 2, A5a, Vol. 2656 E I

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