

APRIL SEAWAY TRAFFIC

The Saint Lawrence Seaway entities recently released the first preliminary statistics for the 1961 navigation season, which commenced on April 15. Initial returns for April 1961, compared with the complete statistics for the same month in 1960, reflect a cargo tonnage increase this season of 36.8 per cent, from 858,316 tons to 1,173,922 tons, for the Montreal-Lake Ontario section. For the Welland Canal section, a decrease of 4.3 per cent in cargo tonnage, from 1,963,837 tons in April 1960 to 1,878,566 tons in April 1961, is recorded.

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CANADIAN SHIPPING POLICY

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construction work performed before this day. The methods of determining approved costs for this purpose and other particulars relating to administration of this plan will be prescribed by regulations to be approved by the Governor in Council. These regulations will, of course, deal with the question of limiting the proportion of non-Canadian content to be included in costs for purposes of the subsidies. The regulations have not yet been approved by the Governor in Council but they will be tabled in the House as soon as they are in final approved form.

"The Government has also given considerable attention to another problem which relates to the Great Lakes area, and which has arisen since the Royal Commission on Coasting Trade made its report.

"Under the Commonwealth Merchant Shipping Agreement, a vessel of Commonwealth registry may engage in the domestic coasting trade of Canada, and Canadian-registered vessels enjoy reciprocal privileges in other countries. This agreement was made many years ago and long before the construction of the St. Lawrence Seaway. Prior to the construction of the Seaway, deep-sea vessels, other than those of very small size, did not have direct access to the Great Lakes, and in those waters which are basically inland waters the domestic coastal trade was more or less effectively reserved to Canadian-registered vessels.

"Within the last couple of years, in a number of cases, old U.S. lake vessels, which, under the authority of the Canada Shipping Act, would have been refused Canadian registry, have been purchased by certain operators who have applied for and obtained non-Canadian Commonwealth registry with a view to putting these vessels in Canadian domestic

service. In addition, other Canadian operators have moved in the direction of transfer of some of their existing Great Lakes vessels of Canadian registry to non-Canadian Commonwealth registry.

MODIFYING AGREEMENT

"Investigation has indicated that apparently, under United Kingdom law, applications for U.K. or colonial registry in cases of this sort have to be granted unless there is something technically wrong with the vessel itself, and there is no method under existing British law by which this condition of affairs can be dealt with. Because the Government believes, in effect, the domestic Canadian trade within the Great Lakes area was not in any sense contemplated as part of the reciprocal privileges when the Commonwealth Merchant Shipping Agreement originally came into force, and that this trade should be effectively reserved to Canadian-registered vessels, accordingly the Government has decided to initiate steps for modification of the Commonwealth Agreement to exclude this area. For this purpose we will be approaching the other parties to this Agreement to notify them of our decision to exclude from the provisions of this Agreement the Great Lakes area, which will be defined as commencing at the outermost pilotage station in the St. Lawrence River in the vicinity of Les Escoumins. The effective date of this change, of course, can only be determined after notification to and consultation with the other Commonwealth countries concerned and will, I expect, also involve amendment to the Canada Shipping Act.

"This new policy will be of great benefit to Canadian ship operators and Canadian seamen as well as Canadian shipyards, and their employees and suppliers. They will help our domestic operators whether these be inland, coastal or deepsea operators, and whether their craft be cargo vessels, passenger vessels, tankers or schooners on the St. Lawrence or other powered craft of reasonable size.

"It is virtually impossible to forecast accurately what this programme will amount to in terms of expenditure and employment, since the initiative in making it successful must now rest with our ship operators themselves. However, at a very rough estimate, I would expect that this should cover between seven thousand and ten thousand man years of additional employment in each year for the next few years in our shipyards and probably an equal number in supporting and supplying industries; to say nothing of increased opportunities that may result for seafaring personnel."