

Maritime Code

As the associated chambers of commerce say, Bill C-61 seems to be an extremely ambitious piece of legislation which will require a tremendous expansion in the Canadian merchant marine in a very short time, by April, 1980. Even though the minister may have suggested this is possible, I say he is dreaming. I do not think it is possible. For one thing, Canadian shipyards lack the capacity for expansion beyond our present fleet of three ships. There is nothing in Bill C-61 requiring the construction in Canada of Canadian flag vessels. The Jones Act in the United States, as I said previously, requires commercial vessels used in trade between U.S. ports to be of U.S. construction. The associated chambers of commerce suggest the following alternative which, if accepted, would accomplish what the hon. member for New Westminster was talking about, namely:

That the federal government enact legislation that would permit vessels of foreign construction to be used for commercial purposes in Canadian waters only if the nation of origin extends the same privilege to vessels of Canadian construction operating in that nation's waters.

I suggest that such a position would meet the wishes of the hon. member for New Westminster and fortify the Canadian shipbuilding industry. We ought to enact legislation which will protect us against nations which have already adopted restrictive legislation in this field. The legislation ought to be aimed only at such countries and not against those which have not enacted restrictive legislation. As the associated chambers of commerce say, such a provision would permit the foreign construction of ships to be used in Canada and would exert pressure on the U.S. for amendment to the Jones Act in so far as Canada is concerned. The associated chambers of commerce go on to say:

Prior to 1973, many Canadian craft, particularly in the fishing category, were sold in the U.S.—the closure, by the Jones Act, has hurt Canadian yards, while Canadians continue to purchase large numbers of U.S. boats (indeed the Canadian Coast Guard recently chartered the *Lumba Lumba* built in Erie, Pa., over Canadian built vessels). We feel that there should be some pressure exerted counteracting the protectionism inherent in the Jones Act.

Bill C-61 will exert no such counteracting pressure, a pressure which would protect our industry, expand our productive capacity and create jobs for Canadians. We could build ships and sell them to the United States, if the United States agreed to buy them. If they do not so agree, we could sell them to other countries. But we shall not sell to others if we continue following the nationalistic, isolationist path this government has laid down in areas such as communication, investment, and so on. Apparently we are determined to create artificial boundaries. After existence for 100 years we are determined, apparently, to be unlike any other nation. Our neighbour to the south will not look kindly to that approach; neither will any other country with whom we do business. Other countries will not look kindly on what we have done in the field of communications, foreign investment review and so on.

Canada is not alone in the world. Cartels are being formed, nations are banding together to exert greater pressures on commodities traded internationally. Trading blocs are being formed. Countries are co-operating together as large trading units in order to trade more effectively and compete. This is happening in developing and third world countries. Mr. Speaker, this is not the time to interfere with that process. We must find ways to ship our goods

[Mr. Oberle.]

more cheaply and produce them more cheaply. We must bring under control the management of our fiscal policy which is totally out of line internationally. If this means we must create artificial barriers to recapture what we have lost—

Mrs. Campagnolo: Whose artificial barriers?

Mr. Oberle: Does the hon. member for Skeena (Mrs. Campagnolo), in whose constituency exists, potentially, the greatest coastal harbour in our country, not know what her constituents are saying?

Mrs. Campagnolo: At least my constituents are not taking orders from Aristotle Onassis' heirs.

Mr. Oberle: Their message is, "For God's sake sit on this bill." Don't let them do this to us. This is the time for opening our doors. If we keep going the way we are, we will continue to be five to six percentage points of inflation behind the rest of the world. We will have a much slower rate of recovery with regard to economic matters than any other country. We must ask ourselves what we have done about opening our borders, improving our productive capacity and steamlining our capacity to ship and communicate with other parts of the world in an economic sense. We are not doing that now, and we must.

● (1640)

There is one example that I am sure other hon. members will probably quote. On the east coast there has been a recent development with regard to the Sydney Steel Corporation. It illustrates precisely what will happen if this kind of legislation is put in place to protect a non-existent Canadian maritime industry in a way that is artificial and cumbersome. I quote from the *Chronicle-Herald* of May 4, 1976. Had Bill C-61 been in effect, Sydney Steel Corporation would have been forced to pay more than double the rate now in effect for shipping ore to the Sysco plant. I quote:

The "Canadian flagship only" policy proposed in the Shipping Act amendments now before parliament would have prevented Sysco from entering into a contract with a foreign-operated shipping line, in this case of Bermudian registry under the British flag... When the time came to renew the contract, Upper Lakes Shipping wanted to increase the basic freight rate from \$1.15 per gross ton to \$3, plus the costs (of the day)—

The demurrage was also to be doubled. It was possible for that company to make a deal with a foreign shipping line at \$2 per gross ton, without an increase in demurrage charges. Had the provisions of Bill C-61 been in effect, this company would have been trapped. It is no secret to anyone here that the proposal for the increase in rates would not have been limited to \$3, but would have probably been closer to \$5 or \$6 had the protection been in place. I am sure my colleagues will cite other examples similar to those in the lumber and wood fibre industry in western Canada. Therefore, we would be ill-advised at this time, when we have so much catching up to do, to allow ourselves the luxury of creating yet another white elephant which we would have to support.

In closing, I wish to state that I share a desire and a dream. In my opening remarks I referred to the geographic make-up of this country, the three oceans that surround this great land and how it would be desirable for us in the