

Government Orders

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on the second motion of Mr. Manley. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

Hon. Gerald S. Merrithew (for the Minister of Transport) moved that the bill be concurred in.

Motion agreed to.

The Acting Speaker (Mr. DeBlois): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

[*Translation*]

Mr. Merrithew (for the Minister of Transport) moved that the bill be read the third time and passed.

[*English*]

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to present for third reading Bill C-33, an act respecting the use of foreign ships and non-duty paid ships in the coasting trade. This bill is intended to bring Canadian coasting trade legislation up to date.

I would first like to thank the members of the Standing Committee on Transport for their excellent contribution in bringing the bill up to par with the needs of the Canadian shipping industry, and more specifically, in clarifying the definition of coasting trade.

We are now confident that the legislation meets the requirements of the deregulated operational environment as sought by Canadian ship operators and shippers.

The purpose of this bill is to reserve to Canadian ships what is commonly called the coasting trade in waters over which Canada has full jurisdiction. That reservation applies to all commercial marine activities within the 12-mile territorial sea and the internal waters of Canada.

With respect to the Canadian continental shelf, that is beyond the territorial sea, all commercial marine activities related to the exploration and exploitation of non-living natural resources are reserved to Canadian ships.

At the present time, coasting trade activities in Canada are governed by part X of the Canadian Shipping Act. The current legislation defines coasting trade as the carriage by water or by land and water of goods or passengers between two places in Canada, either directly or by way of a foreign port. That carriage is reserved to British ships which includes all Canadian and Commonwealth ships.

Time is pressing for modernization of the legislation. For one thing, the concept of a British ship has changed since the British Commonwealth Merchant Shipping Agreement was terminated in 1979.

Many important events have occurred during the past two decades to necessitate that Canada adjust its coasting legislation in order to meet new challenges and changes in technology. Suffice to mention, for example, the Law of the Sea adopted by an international convention, and the Customs and Excise Offshore Application Act. These events have impacted on the Canadian coasting provisions and made it necessary for a new coasting trade act to be adopted.

The current provisions were established in 1934 and were amended in 1966, 1983 and again in 1987.

An important part of both the present and proposed legislation is the system that provides for the Minister of National Revenue to issue a licence to a foreign ship to engage in the coasting trade of Canada if no suitable Canadian ship is available.

Bill C-33 provides for the use of foreign registered and non-duty paid vessels in cases where there is no suitable Canadian ship available to carry out an activity within the waters under Canadian jurisdiction.

I should like to point out that Bill C-33, in its present format, contains provisions that are required by the shipping industry and by the new rules of business today.

The main points of the bill could be summarized as follows. Concerns were raised earlier regarding the treatment of cruise ships. That concern has now been resolved by defining coasting trade in such a way that a cruise from Vancouver to Alaska and back to Vancouver would not be included in the definition. The current definition is supported by the cruise industry. However, it is important to note that a cruise ship must return to