

*Maritime Code*

part of a massive step of legislative change which has evolved from elaborate consultations between experts from the various departments of governments and many representatives of the shipping industry and interested shippers. It is, therefore, in its bulk a very importance piece of legislation in a practical sense.

● (1520)

I will not go over the second reading debate and recall to mind the very important changes in regulations which are involved in it, such advances as being able to deal with the sistership in connection with matters that are involved in appropriate legal process, matters which members from all sides of the House indicated they received well and warmly.

I will want to refer a bit to the broad principle involved in relation to the coasting trade. However, I must start by drawing the attention of hon. members to the importance of the whole of our maritime industry and the advantage in our being able to proceed with it into law now. What has happened, however, is that two matters of controversy have arisen in connection with the bill. One has been fairly satisfactorily settled as a result of the work in committee. That had to do with the issue of the central registry. Certain changes were made in the bill to deal with that.

The other area of controversy, and much the more important one, relates to the coasting trade provisions which are contained in clauses 8 to 15 of the bill. A number of individual problems with regard to the coasting trade were worked out in committee. However, three concerns remained outstanding at the time the bill was reported back to the House. Since that time representations have been made to me and my officials by interested parties. Our reaction to those concerns may be expressed by reference to three possible amendments to the bill which I draw to the attention of hon. members as we begin third reading. These are changes which I do not see as fundamental because the independent and basic purpose of the bill as it went through second reading and committee was really in accordance with these changes. Without doubt, however, these changes should allay some fears as to how the bill might be applied or whether it might cause some problem in its application.

I recognize the procedural problems that we will face in dealing with possible amendments. However, I wish to set out before hon. members the types of changes that may solve some problems we have had, and perhaps also to elicit suggestions and co-operation in order to deal with these changes procedurally. The first area of concern expressed was in relation to the intercoastal trade between the west and east coasts of Canada where there is a particular interest in maintaining lower transcontinental rail rates, and the fear that these might be adversely affected by changes in the law. It is based on the belief that while the quantity of goods moved by ship is small and is likely to remain so, the fact of its existence or potential existence creates a balancing effect on rail rates.

At the moment, both Canadian and British-built British flagships enter the trade freely. Foreign-built British flagships may enter the trade on a waiver system which is complex and poorly understood. It is not proposed materially to alter the cost of bringing non-Canadian ships into

this trade where necessary, but only to formalize it and to establish a tariff procedure which will be understood and easily accessible to shippers.

I have given assurances that the tariff charged will be fair, and will be seen to be fair by all interested parties through the formulation of the regulations before these sections of the bill are proclaimed. That the tariff will be reasonable is further assured by the legislation itself which, in section BI-13, provides for publication of proposed regulations and for inquiries. Under the provisions of that section I give the further guarantee that public hearings will form part of the inquiry.

The concerned interests have argued that there should be statutory exemption for non-Canadian ships in the intercoastal trade. There has never been such exemption in the past, and to give it now, when we are attempting to bring the coasting trade under general and reasonable control, would be a retrograde step. What there has been in the past has been an ability by order in council, under section 665 of the Canada Shipping Act, to suspend the coasting laws in specified waters. Such suspension has taken place in the past in crisis situations which made it necessary to attract large amounts of foreign tonnage into the intercoastal trade for temporary purposes. The special problem of the intercoastal trade has always been borne in mind, and Bill C-61 makes specific reference to it in clause 8(5). This clause gives the same sort of power as was formerly contained in section 665 of the Canada Shipping Act, but with direct reference to the intercoastal trade.

In order, however, to give the fullest possible assurances to the intercoastal trade interests that the balancing effect of that trade will be maintained, and that the potential for specific exemption will remain, we are prepared to reinforce the provisions of clause 8(5) by removing by individual and specific orders in council, and to provide published regulations in the same manner as regulations under section 12. This will give the further assurance of the application of section BI-13 and, as with the section 12 regulations, I am prepared to state at this time that if objections to the regulations are raised, public hearings will form part of the inquiry.

By amending clause 8(5) and adding a further subclause (6), we will again be formalizing the procedure. That has certain implications with respect to the ability to react quickly in times of crisis, but I am assured that if such a crisis were to develop in future, the reaction to it could be accommodated under the emergency provisions of clause 11(4) at least until such time as formal regulations could be published and any necessary inquiry held. To accomplish this objective, clause 8(5) of the bill will be deleted and replaced with the following subclause:

(5) The governor in council may make regulations exempting from the application of this section and sections 9 to 14, during such periods of time as are specified in the regulations, the carriage by water of such classes of goods as are specified in the regulations, and towage, in either direction, between,

(a) ports or places on the east coast of Canada, and the Gulf of St. Lawrence, the St. Lawrence River or the Great Lakes, and

(b) ports or places on the west coast of Canada.

Clause 8(6) will be added as follows:

(6) Section BI-13 of the maritime code applies with respect to any regulations that the governor in council proposes to make under subsec-