

Hon. John J. Kinley: Honourable senators, I should like to say a word or two, arising out of the question asked by the senator from Toronto-Trinity (Hon. Mr. Roebuck). It seems to me that in the development of an important inland waterway of this kind there is a grand opportunity to protect our nationals in the coasting trade. The United States protect their nationals by confining their coasting trade to their own citizens and to American bottoms. I can see how difficulty would arise from charging Americans more than Canadians for the use of the waterway, for the Americans themselves own part of it—the larger of the Sault Ste. Marie canals, for instance, belongs to the United States. But our difficulty does not come from competition with Americans, for their standard of living is at least as high as our own. The difficulty that our merchant seamen and merchant marine have to face comes from the merchant marine of European countries, which have a lower standard of living. That competition has been aggravated by what is known as the Commonwealth Merchant Shipping Agreement, which was passed concurrently with the Statute of Westminster and left us open to competition in our own coasting trade.

It seems to me that this development offers us an opportunity for building up a larger coastal marine service. The coasting trade is closely related to the deep water trade, and unless we have a good coasting trade we cannot hope to have a good deep water trade.

With this new development opening up Canada's waterways as far as Fort William to ocean ships, Nova Scotia, which is at the eastern end of our country, and Newfoundland, which sticks out in the Atlantic, will be about half way between Fort William and Mexico. The coasting trade of the whole North American continent is capable of enormous growth, and it occurs to me that our coasting trade down in the Maritimes should participate in this growth. After all, the former greatness of the Maritimes was due to their greatness on the sea, and if we are to become great again I believe it will be for the same reason. So I look forward to this increase in navigation with considerable enthusiasm.

The leader (Hon. Mr. Robertson) says he does not know that any provision has been made for giving Canadian ships lower rates on the waterway. I believe that American vessels are charged the lowest rates of all vessels that go through the Panama canal. Now, a lot of water will run under the bridge before this seaway project is completed, and in the meantime I think we should bear in

mind that if there is one thing we Maritimers should do, it is to see that we get some preference for our merchant shipping in the St. Lawrence waterway.

A greater merchant marine is badly needed in this country. Ship owners have had a difficult time in recent years. I think that the unions who were badly led and got into confusion among themselves did a great deal to damage our marine trade in Canada, and it is not in very good condition at present.

It seems to me that in the immense program which we are carrying on for defence preparations in Canada we are losing sight of the value of the merchant marine. During the last war we were told that the merchant marine was a very important element in the transfer of men and materials to the theatres where they were most needed, and that the country with the best merchant marine was the one that had the best chance to succeed. Under these conditions it would seem to me that while we are building fighting ships and ships of other kinds as part of our defence program, we should also take steps to increase the merchant marine of Canada, which now includes Newfoundland.

In the Maritime provinces there is considerable feeling that the St. Lawrence waterways scheme might work to their detriment. I cannot think that it will. I have had some representations from people down there. These representations could be classed as special pleading, I might say, for they were from people who thought that as a result of this waterways development they might lose employment, and from other people who thought that the iron ore of Labrador should be landed at Nova Scotia instead of shipped through the canal. I certainly agree that we should concentrate the iron ore and steel industry in Nova Scotia, and I hope that in the future we can succeed in doing so.

It must be remembered that we in the Maritimes are closer to the iron mines than is Central Canada. I of course do not go so far as to say we should seal up the St. Lawrence River in order that we may accomplish what we want to in the steel industry in Nova Scotia. We are too independent for that. However, the time is opportune, and I think consideration should be given to the use of the great port of Sydney, which is near the Labrador mines, for use in the defence program. In that way steel could be processed at tidewater and used not only for defence purposes but for export trade as well.

We hear the suggestion at times that the development of the seaway project would be detrimental to the coal industry of Nova