

Vessel Construction Act

Deduction is permitted for income tax purposes. Then it goes on to deal with deductions in respect of conversion costs. I think it would be a good thing if the minister had a Canadian shipping list. We used to have one a few years ago. On that list were the name of the vessel, the year of construction, the ownership, the type, the year launched and its registration. All those points were listed, within the provisions of the shipping law of this country. In my view it would be a good thing to have that republished.

Then this bill goes on to deal with other matters. It deals with a deduction in respect of conversion costs, where there is a major alteration. Proclamation is to be made by the governor in council so that an allowance of 33½ per cent of the conversion cost is made. Then are set out certain exemptions regarding income tax, taking the matter out of the income tax law. An allowance is made for special depreciation, or extra depreciation. Then it goes on to speak about vessels concerning which allowances have been made in connection with the matter of disposal. This is to be determined by the Canadian maritime commission.

So that in reality this bill widens the powers of the Canadian maritime commission. I believe those powers should be applied to other parts of the country which are helping pay for the cost of this work. This is a national question. I have said that railway transportation has been treated differently. Hundreds of millions of dollars have been spent on railway transportation, and this has had a direct effect on rates—and I am thinking of the rates on coal from the maritime provinces. When it has to compete with rail transportation, water-borne traffic is assisted to that extent. This should be looked upon as a national question.

Mr. Macdonnell (Greenwood): I should like to say a word and to ask a question of the minister. First I should like to follow up the point made by the hon. member for Vancouver-Quadra. The hon. member asked the minister if this bill is the answer to the report of the maritime commission, and I understood the minister to say that it is not. I assume he meant that it is not a complete answer and I was glad to hear him say that, because it does not seem to be complete, or anything like complete.

I should like to read a few sentences from the report of the maritime commission—and I shall not take long, Mr. Chairman—which I believe will make it clear that this bill is no

answer. And it is in that connection I wish to ask my question. Turning first to page 50 of the report we find this:

Freight rates have declined by an average of almost 20 per cent since January, 1948, and Canadian owners are now operating on a very narrow margin if they are not suffering actual losses.

And again at page 53:

If it is considered advisable to maintain the shipping and shipbuilding industries in Canada it is clear that they will require government aid. Neither the manner nor the extent of such aid is properly the subject matter of discussion in this report, but it should be pointed out that no amount of government assistance will effectively aid the shipping industry unless a solution is found in respect of its currency difficulties and unless its labour problems are resolved.

And I quote briefly from the next paragraph to make clear what is referred to by the use of the words "currency difficulties":

Cargoes are frequently offered with freights payable in sterling or other non-dollar currencies, thus excluding Canadian vessels from participation. Foreign importers are induced by their own governments in various ways such as currency restrictions to use their own national shipping. In various trades Canadian vessels are excluded by the operation of regulations providing for the carriage of cargoes by either United States vessels or vessels of recipient countries under the Marshall plan.

I wish to make one comment and ask one question. No one can fail to sympathize with the minister in the difficult problem he faces, and I am not ready with any ready-made solution this afternoon. However, I do wish to ask this: How far is this bill, which provides what we might call accelerated or generous depreciation, to be considered as even the beginning of a solution, if in fact there are no operating profits now? The report of the commission seems to go almost to the point of saying that the industry is unprofitable. I do suggest that if the minister comes along with a bill which is beneficial only if there are profits, then it is really offering a stone where bread is wanted.

Mr. Chevrier: Perhaps I should reply not only to the hon. member for Greenwood but also to some other hon. members who have spoken in this debate. The best way to sum up what has been said is to state that apparently in the opposition parties there are two views, the first of which is that this bill does not go nearly far enough, does not meet the position and does not even begin to face at the problem. That is the attitude of the hon. member for Vancouver-Quadra, although he states that he does support the bill so far as it goes.

Then there is the view held by hon. members of the C.C.F. that this bill should not be approved because, in the words of the hon. member for Vancouver East, he cannot make