

*Income Tax Act Amendment*

we will be in constant communication with the industry about the administration of the new shipbuilding program announced by the Minister of Transport.

Perhaps it would interest the hon. member to know that the principal change between the bill I introduced at the time of the budget in 1966 and the present bill is a provision concerning the time allowed for a taxpayer to take advantage of the exemption from taxable income now allowed for the recapture of capital cost allowance. We received representations on this, and as a result a modification will change the time limit for disposal of the vessel and disposal of the funds, which in Bill C-216 were 1970 and 1972 respectively, to the end of 1973 in both cases. This was one of the representations made to us and this was the modification made.

I do not believe it matters very much whether those provisions that were formerly in the special act, along with other provisions, are now being transferred into the Income Tax Act. I can assure him that whatever special allowances were made, they will be carried forward in that way, but the main part of the program now is to be found in a different form of assistance.

**Mr. Bell (Saint John-Albert):** In other words, the minister gave the industry at least part of what they desired so far as the first proposal was concerned. Without going into a great deal of income tax law, what are these regulatory powers that might be used under the Income Tax Act that did not exist under the old vessel construction act? I suppose it would be within the power of the minister to vary this depreciation?

**Mr. Sharp:** Yes, I can confirm what the hon. gentleman has said, the power to vary the rate of depreciation.

**Mr. Bell (Saint John-Albert):** I guess that is all I want to know. I do not apologize for taking time on this matter because, as hon. members know, I am one who feels there is not enough attention paid here or in country generally to anything related to the sea or shipbuilding. We need lots of measures to help build ships. We need lots of attention to a merchant fleet and to encouraging our young people to go to sea.

In another committee of this house, which is probably sitting tonight, the government is wiping out one of the great heritages of this country. They are wiping out the navy and all that it stands for. The results of this action will bulge out in other ways. No matter how

[Mr. Sharp.]

powerful this government is, they still have to face up to the fact we are a seafaring nation with the largest coastline in the world. Although landlubbers exist in central Canada, there has to be some attention paid to the sea, not only because of our heritage but because of the food that comes from the sea, and for the protection of our great country. I only hope, and it is a fervent hope, that now the minister has authority for this measure that will assist shipbuilding in the country, he will forget his central Canada, landlubber background and show a little discretion and leniency to the shipbuilding industry by giving them tax exemptions and the like.

• (9:30 p.m.)

[Translation]

**Mr. Guay:** Mr. Chairman, following the question or the intervention of the hon. member for Saint John-Albert (Mr. Bell), I understand that this change will not affect the shipbuilding industry and that the government will make every effort to maintain the situation now existing in Canadian shipyards.

[English]

**Mr. Sharp:** Mr. Chairman, I can assure the hon. gentleman that the changes we are now approving do not alter in any way the government's policy toward the encouragement of shipbuilding.

Clause agreed to.

**The Chairman:** The committee will now revert to clause 6.

On clause 6—

**The Chairman:** When this clause was stood the hon. member for Medicine Hat had moved an amendment. The amendment was not read by the chair, and if the hon. member wishes to proceed with his amendment I shall do so now.

**Mr. Olson:** Yes, Mr. Chairman.

**The Chairman:** Moved by the hon. member for Medicine Hat:

That Bill C-259 be amended as follows:

"That the word 'complete' be deleted from clause 6, subclause (1), section (viii) where it appears in lines 4, 8 and 9 on page 9".

**Mr. Olson:** Mr. Chairman, I moved this amendment because it seemed to me that under the present wording a person was authorized to deduct under the terms of the Income Tax Act the cost of a denture constructed or provided by a dental mechanic or technician, only if it were a complete upper or complete lower denture. I believe that the Minister of Finance is ready to accept this amendment, so