

6. The Cabinet, after considerable discussion, agreed:

(a) that Ministers of departments and agencies of government having shipbuilding requirements inform the Maritime Commission, so far as possible in advance of the dates upon which contracts would have to be placed, of their probable building programmes in order that the Commission might prepare and submit a report to Cabinet, setting out in detail the construction required by all government departments and agencies and making recommendations as to the policy to be followed in the building of such ships in the best interests of the industry and with due regard to reasonable economy; and,

(b) that, in future, all government contracts for ships be placed through the agency of the Maritime Commission.

Maritime Commission; shipbuilding policy;  
accelerated depreciation

7. The Minister of Transport, referring to discussion of the previous item, observed that it was a well-established practice in maritime countries to grant some assistance to the shipping and shipbuilding industries.

It was suggested that, to meet the situation of the Canadian shipbuilding industry and to encourage building, arrangements be made to allow operators to take depreciation on new ships as earnings permitted.

It had also been proposed that, in addition, special depreciation provisions, a tax free replacement fund and deferred maintenance be allowed.

An explanatory note had been circulated.

(Acting Minister's memorandum, Oct. 28, 1948  
- Cabinet Document 770).

8. The Cabinet, after discussion, approved in principle provision for special depreciation allowances for new tonnage built in Canadian yards and agreed that the Maritime Commission, in consultation with the Department of Finance, prepare draft legislation on the subject for consideration.

Veterans Affairs; small holdings; additional  
government contribution

9. The Minister of Justice, referring to discussion at the meeting of July 7th, reported that a further recommendation had been received

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