

*The Budget—Mr. Bourget*

Some time ago I read an article dated August 1960 in the Vancouver *Burrard News* which was entitled "Challenges facing our industry", which reads as follows:

(Text):

No one even remotely connected with the shipbuilding industry in Canada could fail to note that it is going through very difficult times. Payrolls have been going progressively down and, at the moment, there is no clear indication that this will change. The full impact of the St. Lawrence seaway, with our coastal trade open to ships of the U.K. registry, is having its effect in eastern Canada and there are several yards on the great lakes with very precarious futures. As a matter of fact, shipyard mortality would have been earlier—and higher—had it not been for the naval program and government new construction of the past dozen years.

(Translation):

Now, here, Mr. Speaker, is an excerpt from an article by Mr. John Meyer, financial editor of the *Montreal Gazette*, dated September 9, 1960. I quote:

(Text):

There is no question that the industry needs assistance.

Speaking of the industry, he is speaking, of course, of the shipbuilding industry:

Employment is at a ten-year low at a time when contracts for seaway carriers are being placed abroad by Canadian operators. Quite apart from these considerations is the well established precedent of assistance given the industry by other maritime nations. The Canadian industry, handicapped by high costs, should not be required to meet the second handicap unassisted by the benefits given its competitors by their governments.

(Translation):

As one may realize from reading those articles, they confirm exactly what I said a few moments ago, namely that this industry is now in an alarming situation.

No doubt the federal government can help by awarding contracts for the construction of the necessary ships for our navy and our various departments, but this assistance alone is inadequate. To insure the survival of this important industry and to prevent the lay-off of thousands of workers who will swell the already high figure of the unemployed, other measures than the existing ones will have to be taken.

Before I go ahead with the suggestion I want to make, I would like to call the government's attention to the fact that the northern area of our country is bound to experience a considerable development. Consequently, I think that right now, we should build or at least make plans for the construction of ships that will be needed for the transportation of

the men, supplies and materials necessary to the development of our northern areas.

I am surprised and sorry to see that the government has not yet a program to put forward in that connection.

I said earlier that the government will have to take vigorous steps to insure the survival of our shipyards, since the assistance received by this industry is inadequate and much less than the assistance received by shipyards in other countries.

We all know also that shipbuilding is more expensive in Canada than in European countries. Consequently, ship owners prefer to have them built overseas. As an inducement to owners to have this work done in our Canadian shipyards, here are the suggestions I want to offer to the government.

Any company or individual who would like to have a ship built in Canada should make a down payment equal to 20 or 25 per cent of the total cost of the ship. The rest of the required money would be either loaned directly or guaranteed by the government and repayable in eight to ten years, at a reasonable rate of interest.

Under the existing act providing assistance to shipbuilding in Canada, the owner is entitled to 100 per cent depreciation over a period of three years. I believe that depreciation could be increased substantially—in Great Britain, for instance this depreciation is 140 per cent. Should this depreciation be substantially increased, the owner of the ship, or the person ordering it, could be forced to pay into a special fund a substantial part of his earnings from this form of tax depreciation. This special fund would be administered by the government and the owner could use it afterwards only for the replacement of his old ships, for their transformation or for the construction of new ones in Canadian shipyards.

This is the outline of the plan I submit, Mr. Speaker; I leave it to experts to put it in legislative form if it is considered an interesting plan.

I think that this proposal would encourage small and large owners to have their ships built here in Canada. At the same time, it would cost very little to the government since the government would have a chance to get that money back through sales tax and income tax. In this way, the government