

at Saint John to provide for not only the interest charge upon the capital cost of those structures which have been swept away, but also the additional charge for the money required to replace them.

Hon. Mr. WILLOUGHBY: Were they fully insured?

Hon. Mr. FOSTER: I will say to my honourable friend the leader of the Government that that question arose shortly after the fire, and I think some criticism was levelled at the Harbour Commission because no insurance was carried upon those properties. That came rather as a little bit of criticism on the Harbour Commission that was originally appointed. Having been chairman of that Harbour Commission, I should like to say, in that regard, that we went very fully into the insurance question, and the reason no insurance was carried upon the properties in Saint John harbour was that the insurance rate exacted by the Underwriters' Association was so high as to be prohibitive. The rate upon the wharves on the harbour front of Saint John at that time would have been about three and a half per cent, and if we had insured the harbour front properties up to their value, or a reasonable proportion of the value, the drain on the revenue of the harbour would have been too great. At that time we had an investigation made as to the feasibility of introducing a sprinkler system on the harbour front, but, owing to the nature of the construction, that plan was not feasible. Those are the reasons why insurance was not carried on the harbour front properties.

Some disappointment has naturally been felt by those of us who believed that some policy other than that outlined in this Bill might possibly have been worked out. I have before me a declaration of policy made by the present Prime Minister during the last election. Having had some little experience in connection with harbour administration, I can quite appreciate his expressions on the hustings. Before reading this declaration of policy I wish to say that I fully agree with it.

Halifax and Saint John should be national ports. They belong to the people of Canada. They should be great free open ports. A great free port is the only way in which we can have the products of this great country compete in the markets of the world. This port is a great national undertaking and unless treated as such we cannot succeed. My ambition is to see this port the cheapest in the world.

That was the declaration made by the Prime Minister in the city of Saint John as reported in the *Telegraph-Journal* of that city.

Hon. Mr. FOSTER.

Then in the *Ottawa Journal* of July 1, last year, I find the following:

The port of Saint John, the Conservative leader declared, should be a great free port, a national port. And towards the implementation of this object he gave his pledge. The Conservative leader referred to a report that he was opposed to the port of Saint John as at present operated. "Of course I am," he declared. "I am opposed to the collection of tolls in this port which prevents it from being built up."

The difficulty, however, is that the administration of the harbour is under the Harbour Commission Act, which lays down principles on which a Harbour Commission should carry on its work. One clause in the Harbour Commission Act states that the Commission is charged with the raising of revenue and that it must receive from the revenue obtained and the tolls imposed upon traffic sufficient income to meet those conditions which are embodied in the Harbour Commission Act. The Act says:

19. (1) The Corporation may levy such rates as are fixed by by-law, and may by by-law commute any rates authorized by this Act to be levied, on such terms and conditions and for such sums of money as the Corporation deems expedient—

—and so on. But it must be realized that in fixing those rates the Harbour Commission must take into consideration the expenses of the Commission. Naturally the Act lays down the expenses for which the Commission must provide. In this case we were charged with raising the necessary revenue to meet the payments that are plainly specified in the Act. Section 22 of the Act states these as follows:

(a) The payment of all necessary expenses incurred in the collection of the said revenue, and in the management and operation of the harbour services, and in the maintenance and ordinary repair of its works and facilities,—the expenditure of all revenue to be subject to the supervision and control of the Minister;

(b) The payment of interest on any debentures issued under the authority of this Act.—and so on. Therefore, while the incentive to the Harbour Commission is to lower the rates so as to make them compare with those of Boston, Baltimore, and other Atlantic ports, the Commissioners are charged with the duty of maintaining their revenue to such an extent as to pay all expenses, to pay for maintenance, and if possible to pay a certain amount of interest on the money which was borrowed from time to time.

Honourable gentlemen will see that while, as a former chairman of a harbour commission, I would naturally approve of the prin-