

I do not wish to deal too long with them. I simply wish to say that conditions may well have changed since 1936 when the statement was made by the then minister of national revenue. In order to make sure that they had not, the government decided to set up an interdepartmental committee composed of members of the Department of Transport, national revenue, trade and commerce, reconstruction and finance. This committee has been receiving briefs and submissions from ports all across Canada. I think it is the board of trade of Vancouver that have asked the committee to delay its report until such time as it is able to submit its brief. Therefore, on that question I say to the hon. gentleman that until the interdepartmental committee on free ports has made a report, there is nothing more I can add.

Dealing next with the question of the refunding of bonded indebtedness so far as the port of Vancouver is concerned and the apparent delay in coming to a conclusion on that question, let me say to the hon. member for Vancouver-Burrard that the government has decided to refund \$5,000,000 of the indebtedness of the harbour, and the interest has been reduced from five per cent to 3½ per cent as that issue matures. I made that statement to those who interviewed me while I was in Vancouver. Immediately upon my return I discussed the matter with the members of the national harbours board; and since this is a matter which concerns finance as much as, if not far more than, it does transport, I asked the Minister of Finance to set up a committee to deal with this question. This matter, like that of free ports, is not one which has to do with the city of Vancouver alone. It has to do with all national harbours, and the refunding of the debt, if that should be found wise or necessary, of all national ports. So, if my hon. friend feels that there is a delay I can assure him it is not due to any of the members of the committee but to the importance of this question. I am afraid I must tell him, notwithstanding that it will meet with the disapproval of a section of the press in his city, that it will take an even longer time because, as we go along in this study, we find that costs of administration are mounting, and the greater the costs become, then the question really is whether or not it will be found possible to reduce charges. Should we find—I am not saying what we shall find—it is not possible, there would be nothing abnormal about that. If you look at the history of the great port of London you will find maturing obligations at five per cent. I have before me the 36th annual report of the port of London authority, and the hon. gentle-

man may be interested to learn that in that great port there is no less than £6,975,000 of debt outstanding bearing interest at five per cent, and no less than £1,977,000 bearing interest at four per cent, and I am informed by the national harbours board that there is no intention of refunding the debt of the port of London at this time so as to reduce interest.

I should also like to inform the hon. gentleman that the harbour of Vancouver, as it now stands, has in fact been paying and saving annually slightly in excess of three per cent interest. There are several reasons for saying that. I do not want to go into them at great length; but one is that the Lapointe pier, with which my hon. friend is unquestionably familiar, cost the country \$2,600,000. That expenditure was incurred by the Department of Public Works, and the pier was transferred to the Vancouver harbour commissioners without capital liability and has not been charged up against the debt. The annual interest on this amount alone at five per cent would be \$130,000, and at three per cent it would be \$78,000. This is an advantage for which the city of Vancouver does not have to pay, and which is not disclosed in harbour accounts.

Then, dealing with the question of cargo rates, when I was out there I found that to be a matter which caused certain interests in Vancouver some concern. I dealt with it as best I could at the time. Since then I have suggested to the national harbours board that they set up a committee to deal with the question of cargo rates in all our ports. The matter of rates is difficult and complicated, and one in which a number of items come up that are difficult of explanation. On the whole, the totality of charges for the port of Vancouver are not higher than those in any other port; and as nearly as can be compared there is little difference between Vancouver and Montreal and other eastern ports. Perhaps that is not the right way to put it. Let me put it in this way, that in the port of Vancouver there are no dockage dues such as are paid at Montreal, Quebec, Halifax and Saint John. The dockage dues in those four cities have netted the dominion government \$1,100,000. Montreal has paid to the dominion government \$395,000; Halifax has paid \$310,000 and Saint John has paid \$315,000. There is no dockage charge in the city of Vancouver. The other day I made a statement dealing with the whole position in detail, which went to show that, as far as Vancouver was concerned, the rate structure was as low, if not lower than in most of the Pacific coast ports south of the line, such as San Francisco.

Then my hon. friend raised the question of local advisory boards. I was asked about that when I was in Vancouver, and I have