

indirectly by the milling interests. I think I can safely add that no flour mill in central Canada, no big interests or no cartels had anything to do with the determination of the policy followed by the national harbours board in that or in any other instance. I need only tell the house who the members of the national harbours board are, and I think they will agree immediately that the case is as I put it. The house knows that the chairman of the national harbours board is Mr. R. K. Smith, a former member of this house, a man who is particularly well known to Nova Scotia members, and I think the house will agree with me when I say that either directly or indirectly that individual certainly has no connection with the milling interests of this country, or with big business, or with any cartel. The vice-chairman of the national harbours board is Mr. J. E. St. Laurent, a former officer of the Department of Public Works, a former chief engineer of the St. Lawrence ship channel, and also a man who has no connection, direct or indirect, with the milling interests. I think I can safely say the same about Mr. B. J. Roberts, a trusted employee for a while of the Department of Finance and a man who is a watchdog of the treasury so far as the national harbours board is concerned. So that I say to this house without equivocation that that charge is totally unwarranted and is totally unfounded.

Let me now deal if I may for a moment with the facts which led to the decision of the board, and I think the house will want to know what these facts are.

Some time in 1941 the then premier of Nova Scotia made representations to my predecessor, Hon. J. E. Michaud, with reference to the erection of a flour mill at pier 23 in the harbour of Halifax. The premier of Nova Scotia stated that his government had been in conference with an Ontario flour mill and he was endeavouring to make arrangements for the construction of a flour mill at tidewater, Halifax, to supply mill feed. It was indicated in that letter that there was imported annually into Nova Scotia some 100,000 tons of mill feed and some 300,000 tons for the whole of the maritime provinces. It was further indicated that with the erection of a flour mill this market could be supplied and an important saving effected. It was also stated that grain could be brought from Churchill to Halifax at low cost, processed in the proposed flour mill, and used to supply markets not only in the maritimes but also in Newfoundland and the West Indies. The letter went on to state that arrangements were being made for the

[Mr. Chevrier.]

construction and management of the proposed mill, and the site selected was pier 23 in the Halifax harbour. It was also suggested that the pier should be leased to the government or to the company which would set up the flour mill at a nominal rental. The letter went on to say that because of the storage elevator which was in close proximity to pier 23 it was the intention to use this elevator as an overflow storage reservoir.

Nothing came of the application, if I may so call it, made in the letter from the Premier of Nova Scotia in 1941, for the reason that the milling company found it difficult, so I understand, to obtain milling machinery from the British isles, and the matter was allowed to stand over for the time being.

The proposal was again brought forward in 1945, and at this time this additional information was submitted to the national harbours board. Again it was stated that the proposed mill was to have a daily capacity of 1,800 barrels, and that it was to be erected on pier 23 in two units, and it was suggested that a lease of the pier and of the elevator facilities be granted at a nominal rental. The capital cost of the mill was to be \$1,000,000. The mill was to be operated by a company to be known as the Atlantic Flour Mills Limited and to be managed by one R. J. Pinchin. A bank loan of \$1,000,000 was to be guaranteed by the government of Nova Scotia, and in the event of the non-success of the venture the government of Nova Scotia was to be responsible for all capital costs.

In order to show that the national harbours board did everything which could be reasonably expected of it, I want to state that meetings were held following this correspondence between the premier of Nova Scotia, his minister of industry and publicity, and the national harbours board, both at Ottawa and at Halifax, and much correspondence passed between the board and the Nova Scotia government. The board's position, after it had carefully considered everything, was made known to the government of Nova Scotia in a letter which my predecessor, Hon. J. E. Michaud, wrote to the then premier of Nova Scotia. I should like to read this letter, because it places on record the position of the national harbours board, and I think every member of this house who wants to view this matter reasonably can come to no other conclusion than that it was the only decision which could be arrived at, at the time. I quote the letter of March 16, 1945, addressed to the premier of Nova Scotia.

Dear Mr. MacMillan:

With respect to the application of your government for a location on pier 23, Halifax harbour, to establish a flour mill in close proximity