

The Budget—Mr. Adamson

those being laid off are quite junior in service, having been taken on within the past two years, since T.C.A. first began its program for a transpacific service.

The Canadian Pacific Air Lines have some 300 people on their staff at Vancouver, many of whom have been transferred on a seniority basis from other service points in Canada. However C.P.A. have taken a great number of new employees from the Vancouver area, and have made an informal arrangement with T.C.A. to give first preference to those laid off by T.C.A.

The situation is that T.C.A. had organized a transpacific headquarters at Vancouver. So far T.C.A. has been able to keep the men busy on major overhaul work, but now that that work is coming to an end it is necessary to cut the staff at that point down to the ordinary overhaul requirements of the air lines for domestic service.

Mr. MacInnis: May I ask a supplementary question? In letters which I have received it is stated that the cut in staff would mean that some planes would have to make the return trip of 6,000 miles, to and from Montreal, without being overhauled.

Mr. Howe: I cannot say as to that, since it is an internal operating matter. But I would point out that a very considerable maintenance staff is being left, consisting of some 150 men, and I assume that that staff will take care of the overhaul duties to be performed at the Vancouver end of the system.

I think we all have sufficient confidence in the safety of operations of Trans-Canada Air Lines to believe that the staff is not being cut down to a point where overhaul cannot be taken care of at the Vancouver end to the extent required.

THE BUDGET**ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE**

The house resumed from Monday, October 24, consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Thatcher.

Mr. Rodney Adamson (York West): Mr. Speaker, yesterday's ceremony in this chamber was most significant in many ways. It was significant particularly for the fact that a certain word was not used. The one word that was absent was the word "British". Yet it was the genius of British institutions and the British parliamentary system which made

the ceremony possible. In fact it was essentially because of British ideals of freedom and self-determination that the meeting was possible at all. The very omission of the word "British" before "commonwealth" in the speech of the Prime Minister (Mr. St. Laurent) emphasized, more clearly than any words could have done, the essential quality of British freedom which made it possible for the leader of a sister commonwealth country, embracing a republican form of government, to speak to us in a free parliament; because we are both dedicated to the principle of freedom of the individual and the dignity of man. We believe that these are inherent foundations of the British parliamentary system. Perhaps this omission of the word "British" was one of the most significant aspects of yesterday's meeting.

With reference to the budget, I should like to deal first with the income tax allowance to the holders of preferred stock. The concession which has been made—a ten per cent allowance to holders of preferred stock—is in itself a very small thing, but it emphasizes a principle of the capitalist system under which we live. I wish to say a few words about the effectiveness and efficiency of that capitalist system.

I have taken as an example one of the most efficient, one of the largest and I believe one of the ablest companies operating in Canada today, and I have made a breakdown of what that company has done and what the capitalist system, through the operations of the company, has produced for Canada. I refer to the Steel Company of Canada. I have chosen this company for several reasons. First, its capital structure is simple; second, it is probably the leader of the steel industry in Canada—a basic industry—and, third, its management is aggressive and the operations are carried on profitably.

The share capital amounts to 460,000 common shares and 260,000 preferred shares of equal value and almost equal rights, making a total of 720,000 shares. I have worked out what each one of these shares has meant to the whole economy of Canada in the ten-year period from before the war to the present time. In that ten-year period each share has produced more than \$250 in wages. It has been responsible for \$86 in improvement to plant; it has paid \$83 in taxes, and each share has been responsible for fifteen tons of base ingot steel.

For this the owner of the company—the shareholder—received in dividends \$31 in that ten-year period. It will be seen that nearly three times as much was paid in taxes as was received by the shareholder, the capitalist, in dividends. Nearly three times as much went to the improvement of plant, and over eight

[Mr. Howe.]