

I think that is all of material advantage to our producers. The inter-coastal service through the Panama Canal, both east and west, has been also quite satisfactory, so that I should say that the advantage of the Government Merchant Marine has been of particular importance to the newly inaugurated South American trade, and to the lumber trade on the Pacific coast, and to probably Australia and New Zealand. I am speaking now from the point of view of general advantage in promoting Canadian trade.

Hon. Mr. STEVENS: Are you operating now to Australia?

Sir HENRY THORNTON: No, we have abandoned that. I was speaking of previous years when there was considerable of it.

Mr. GEARY: You did not think it was worth while?

Sir HENRY THORNTON: I think it is particularly advantageous to the British Columbia lumber trade and the South American trade.

Mr. POWER: Was there any special advantage given to the British Columbia lumber trade in the way of lower freights?

Sir HENRY THORNTON: No, we had the usual ocean rate, but it gives them a facility and service which they might not get in any other way.

Mr. POWER: Are you operating any of those particular lines at a loss?

Sir HENRY THORNTON: That I think will come up when we consider each trade route.

Mr. CANTLEY: Are you insisting upon them pre-paying the charges on that route?

Mr. DOHERTY: The lumber charges are collected usually at this end.

Sir HENRY THORNTON: We have discovered at least one route where the ships are not needed. We have been losing \$72,000 a year on our Cardiff service, and we are just abandoning that service; and the contracts which we have are being taken over by probably the Donaldson and another line. We have abandoned that service for the reason that it is unprofitable and unnecessary.

Mr. GEARY: Does the fact that you are in business tend to stabilize rates?

Sir HENRY THORNTON: Not on the North Atlantic.

Mr. GEARY: It does not tend to keep down rates?

Sir HENRY THORNTON: I do not think we are a sufficient factor to have any material influence on the standard of rates.

Mr. CANTLEY: You have not the type of boats which can compete on the North Atlantic.

Sir HENRY THORNTON: Colonel Cantley is quite right in that.

Mr. GEARY: Are you looking forward to the time when you can confine your operations to the places where you are of advantage?

Sir HENRY THORNTON: We are trying to rearrange our services so as to employ them on such routes as will be both remunerative and strategic, economic usefulness to Canadian producers.

Mr. CANTLEY: And where facilities to-day are not all that may be desired, so far as the export trade of this country is concerned?

Sir HENRY THORNTON: Yes, that is true.

Mr. CANTLEY: That is the fundamental reason, in my judgment, for continuing the operation of this fleet at all.

Sir HENRY THORNTON: Yes, it certainly is not attractive from the financial point of view; therefore the only reason may be the economic advantage to the Dominion of Canada.

Hon. Mr. DUNNING: Of course you could do better if you had a better type of ships?

Sir HENRY THORNTON: Oh, certainly. You will understand that these ships were built during the war, under great stress, and at very considerable expense, to meet a certain necessity which at that time existed and which has since disappeared.