

The CHAIRMAN: For the first five months, including May!

Sir HENRY THORNTON: January, February, March, April and May—five months. That result shows this. The gross revenue for those five months was \$4,493,000—I will give it to you in round figures—an increase of \$730,500. The total expenses for that period were \$4,431,000, an increase of \$75,000, over last year, and the net result is an operating profit for the first five months of this year of \$62,000 as compared with an operating deficit last year, for the same period, of \$593,000, or an improvement for the first five months of \$655,000.

Sir HENRY DRAYTON: Is there any special consideration coming from that, or can we look on that as a satisfactory characteristic growth?

Sir HENRY THORNTON: There is nothing abnormal in that. My own estimate—for what it is worth—is that that favourable condition will accentuate itself throughout the rest of the year, and I think in succeeding years, unless we meet with some national disaster of some sort, or something which materially slows up the wheels of international trade.

Mr. JELLIFF: You say there is nothing abnormal in that?

Sir HENRY THORNTON: No, there is not; it is just a steady healthy improvement in what might be called world trade conditions.

(Reading continued): The aforementioned improvement in operating results was brought about as a result of carefully watching expenditures, both ashore and afloat, and effecting changes in our schedules for steamers, particularly in trades like Australia, so as to keep pace with the requirements of such trades, which improved the steamers' earnings. In addition to watching expenditures, economies were effected wherever possible, consistent with maintaining the steamers in the best state of efficiency and repair, to maintain the highest classification for the vessels. The steamers of the fleet have continued to cultivate and promote a healthy growth of Canadian trade and commerce. As an indication of the continued depressed state of the shipping industry, the following comments are submitted: in the report of the operations of Lloyd's Register for 1924-25, the committee say that the depression which has affected the shipping industry for several years continued during the past twelve months, and was still unrelieved by any prospect of improvement in the near future. In some important aspects, the present was unquestionably the most serious depression in living memory"—I am quoting now from Lloyd's Register; not giving my own opinion.

Sir HENRY DRAYTON: What year is that?

Sir HENRY THORNTON: 1924-1925,—last year. (Reading): "On the one hand there was a large amount of surplus tonnage brought into existence under the compelling influence of war, and not merely to meet ordinary commercial requirements, and on the other hand, there was a serious shrinkage in the volume of the world's ocean trade as compared with pre-war times. These conditions had combined to reduce freights below a paying level, but had failed to bring a corresponding reduction in the costs of the production and operation of ships.

"Lord Incheape, one of the foremost shipping authorities in the world, in his annual address to the Peninsular and Oriental Steamship Company, went so far as to say that the past year was the worst shipping ever experienced, owing to high operating costs, heavy dock and labour charges, shortage of cargo, and low rates of freight, the cumulative effect of which has been disastrous."

I think I may omit other similar statements from shipping authorities—

Mr. JELLIFF: Have you yet experienced any results from the general coal strike in England?

Sir HENRY THORNTON: No.

Mr. TEAKLE: We have not come to that yet. We had some ships slightly delayed, but nothing very serious so far.