

Trans-Atlantic Service.

The Company operates 9 express, passenger and freight ships, and 5 fast freight ships, with a total tonnage of 243,470, between Canadian, British and Continental ports, from St. Lawrence ports during the summer, and Saint John and Halifax during the winter season, employing a total ship's personnel of 3,643, practically all of whom are British whites.

The Company competes for passenger, freight and express traffic with the British, French, Italian, German and United States lines, (some of which call at Halifax), operating from New York and other Eastern United States ports, as well as British, Japanese and other Companies, plying between Australia, New Zealand and Oriental ports to Great Britain and the Continent, through the Suez and Panama Canals.

It must not be forgotten that the Port of New York and those south have permanency and advantages of location and climate not enjoyed by Canadian ports, where it is necessary to move from the St. Lawrence River ports at the end of the summer season to the winter ports of Saint John and Halifax. This change in ports means inconvenience and increased costs.

Trans-Pacific Service—Japan and China

It would, we think, be interesting to the Committee to have a brief history of this service.

On July 15th, 1889, a contract was entered into between the Imperial Government and the Company concerning the conveyance of mails, troops and stores between Halifax or Quebec and Hong Kong, or for hire or purchase of vessels as cruisers or transports. The Company was to provide a monthly service between Vancouver and Hong Kong for the sum of 60,000 pounds a year, the contract being for a period of ten years. The mails were to be carried free between the Atlantic seaboard and Vancouver, and the Canadian Government was to contribute 15,000 pounds a year towards the subsidy. The Imperial Government considered the scheme as a whole, offering as it did a direct communication entirely through British territory and an alternative route to the East, desirable in the interests of the Empire, offering, apart from postal consideration, an alternative service which saved several days as compared with the Suez route, and was therefore of considerable value from a postal point of view, having the land transit wholly within British territory, and as a military route was held by the Military and Naval authorities to be of the highest importance. The offer of the Company to construct mail steamers which could be employed by the Admiralty as armed cruisers in case of need was also in accordance with the policy already adopted, the Company to construct all vessels engaged in the service with gun platforms and other fittings required by the Admiralty, and to sell such vessels to the Admiralty if required.

The service between Halifax and Quebec (according to the season) and Hong Kong, was to be one continuous and complete service, the vessels to call at Yokohama and Shanghai. The Admiralty might hire the vessels at a specified rate, the Admiralty providing and paying the crew. The agreement was renewed from time to time and was extended to read from Liverpool to Hong Kong.

The ships used in the service at this time were the *Empress of China*, *Empress of Japan* and *Empress of India*, with a total gross tonnage of 17,818, and capital investment of approximately \$3,500,000.