

MINUTES OF EVIDENCE

COMMITTEE ROOM 429

HOUSE OF COMMONS,

FRIDAY, May 28, 1926.

The Select Standing Committee on National Railways and Shipping met at 11 o'clock a.m., the Chairman, Mr. Euler, presiding.

The CHAIRMAN: We are proceeding this morning with the report of the Canadian Government Merchant Marine, and I presume we might, as we have done in other years, have a general statement either from the President or from the Manager.

Sir HENRY THORNTON: Well, if nobody objects, I will read my speech. (Reading.) The accompanying financial statement gives full details of the results of operations, with the consolidated balance sheet. Some of the principal reasons for the adverse balance sheet are as follows: losses were incurred last year and were inevitable owing chiefly to continued depressed world trade conditions, and poor freights, which has made difficult, if not impossible, the profitable employment of cargo tonnage. High operating costs of the steamers have also contributed to unfavourable voyage results, as many items such as port charges, dock dues, stevedoring, etc., still continue high, and are more expensive than formerly. Despite these drawbacks and disadvantages, however, the operating loss for 1925 was \$492,826 less than in 1924, and it is recalled that the operating loss for 1924 was \$423,412 less than 1923, so that there has been a steady and satisfactory improvement.

It is desired to make it perfectly clear that while the operating deficit for 1925 was \$948,053, this applied to the calendar year, and that for the fiscal year ending March 31, 1926, we will not exceed the \$600,000 voted by Parliament to cover the operating loss which we estimated for the period April 1, 1925, to March 31, 1926.

It is also gratifying to be able to record that a steady reduction in operating losses still continues. The comparative statement of revenues and expenditures for the quarter ending March 31, 1926—" and this is interesting—" shows an increase in gross revenue of \$396,973, with reduced expenses of \$28,562, or a better showing of \$425,535 for January, February and March, 1926, as compared with the corresponding months of 1925.

Mr. JELLIFF: Will you read that over again, Sir Henry (Thornton)?

Sir HENRY THORNTON: Which one?

Hon. Mr. DUNNING: The comparison of this year with last year.

Sir HENRY THORNTON: (Reading) "It is also gratifying to be able to record that a steady reduction in operating losses still continues. The comparative statement of revenues and expenditures for the quarter ending March 31, 1926, shows an increase in gross revenue of \$396,973, with reduced expenses of \$28,562, or a better showing of \$425,535 for January, February and March, 1926, as compared with the corresponding months of 1925."

Now, let me supplement that statement with this, (indicating) which has just come to hand. This statement that I am about to give you now includes the actual results up to the 1st of May, and May itself included, but estimated. May, however, is nearly over, and therefore, you may take it that the inclusion of the estimates for May in the first four months will be a very accurate statement—within a few dollars of the actual position.