

(4) The Great Lakes Service:—

The evidence indicates that over 11,000,000 bushels of grain were handled during the season of navigation of 1923, with a resulting operating profit to the vessels engaged in this service, but that the type of construction of the vessels of the Canadian Government Merchant Marine is such that they cannot economically compete in this trade during normal conditions.

A copy of the evidence taken in connection with its examination of the estimates of the Canadian Merchant Marine, as well as those of Canadian National Railways, will be submitted for the information of the House with your Committee's next and final report.

All which is respectfully submitted.

W. D. EULER,
Chairman.

FIFTH AND FINAL REPORT

10th July, 1924.

The Select Standing Committee on National Railways and Shipping begs leave to present its fifth and final report as follows:

Your Committee to which was referred for consideration and for report to the House the estimates of the Canadian National Railways and the Canadian Merchant Marine, held fifteen meetings in the course of which it examined sundry witnesses, including: Sir Henry Thornton, K.B.E., President and Chairman of the Board; Major Graham A. Bell, C.M.G., Deputy Minister of Railways and Canals; Gerald Ruel, K.C., Vice-President and General Counsel; W. D. Robb, Vice-President, in charge of Insurance, Lands, Express, Telegraphs, Colonization, Development, etc. C. B. Brown, Chief Engineer, Operation Department; R. L. Fairbairn, Manager, Passenger Service Bureau; T. H. Cooper, General Auditor, and R. A. C. Henry, Director, Bureau of Economics.

In connection with its consideration of the estimates, your Committee made careful examination of the Annual Report, both of the Canadian Government Merchant Marine and Canadian National Railways. Our conclusions and recommendations with respect to the Merchant Marine have already been reported to the House.

Considerable evidence was adduced in regard to the purchase by the Management of the Canadian National Railways of a property in Paris, from which it appears that the sum expended to April 30th, 1924, amounts to about \$2,600,000 in Canadian currency. If the property is retained, the remodeling of the building for office purposes is estimated to cost from \$400,000 to \$700,000 in addition, this amount depending upon the requirements of prospective tenants.

The evidence indicates that the Management is of the opinion that adequate quarters in Paris are desirable and that its action in acquiring the property was legal. From the evidence given before the Committee, it appears that the price paid was not in excess of its value and that rental values in this section of Paris are increasing.

The evidence further indicates that the Management of the Canadian National Railways did not originally propose to make a large capital investment in Paris real estate; therefore, if it can be done advantageously and adequate quarters for the purposes of the Canadian National Railways retained, your Committee is of the opinion that this property might be sold, so as to reduce capital investment.