

Sum. to the
Pres. Feb. 13

*Certified copy of a Report of the Committee of the Privy
Council, approved by His Excellency the Governor*

General on the 10TH FEBRUARY 1922



The Committee of the Privy Council have had before them a report, dated 1st February, 1922, from the Minister of Trade and Commerce, submitting as follows:

Pursuant to Article 10 and subsequent Articles of the Canada-West Indies Agreement, 1920, the Department of Trade and Commerce called for tenders on September 20th, 1921, for a mail, passenger and freight steam service between Canada, the British West Indies and British Guiana, to be received up to noon of January 31st, 1922.

On January 31st, at noon, only one tender had been received. This is from the present contractors for the Canada-West Indies Service, the Royal Mail Steam Packet Co. of London, England.

The Canada-West Indies Agreement contemplates the establishment of a weekly service. The R.M.S.P., however, point out that there is not sufficient trade on this route to keep a weekly service up, and that such a service would have to be run at a heavy loss. They therefore propose to put on a fortnightly service, the itinerary to be left to the Canadian Government.

As it would be necessary to build four new ships, the contract would be required to coincide with the life of the ships, viz., twenty years, in view of the vessels being built for this special service, and consequently being unsuitable for transferring to other trades if the contract terminated at the end of five or ten years.

The present contract contains the provision that the freight and passenger rates are to be subject to the approval of the Minister of Trade and Commerce, which prevents the contractors in good times from obtaining the advantage of current high market rates, which in ordinary circumstances without any contract would offset low market rates in bad times.

The contractors protest against the competition of Canadian Government ships, which are now running on the West Indies service, although it is admitted that there is sufficient southbound traffic for both lines, yet the northbound cargo, which consists principally of sugar and molasses, is limited in quantity, and there is not sufficient for both lines, in consequence of which the subsidized line allege that they suffer a serious loss on northbound traffic.

The

**POOR
COPY**

W.L. Mackenzie King Papers
Memoranda & Notes

**PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA**