

instead of sailing every 14 days the sailing would be every 17 days; so business naturally would flow to the company that is giving the more frequent service.

Mr. BATTEN: The reason why I asked the question is that we quite often have a delay in freight at the mainland, usually at North Sydney which could be relayed, and I think any fisherman in Newfoundland who is sending his fish through St. John's to Halifax and from there to the West Indies is having quite a reduction in his rates.

Mr. GORDON: We could pick it up in Halifax. The question really resolves itself into just that. There are a number of places in Canada that we could probably get freight from, but if we attempt to do that we would be unable to maintain a scheduled service and we would not be competitive in the West Indies trade. For example, we do not provide a regular service for Saint John, New Brunswick either, for the same reason. We cannot go into Saint John and maintain our schedule. We could go up to Toronto theoretically and take traffic out of Toronto, then down to the West Indies; but if we did that, we would enlarge our schedule so we would be out of the competitive market on the traffic. We have to decide as a matter of management what kind of service we are prepared to give and with the number of ships we have and the type of service that we are running we cannot enlarge or expand that service to cover other ports.

Mr. KNIGHT: This tendency to decrease the deficit is welcome, of course. Is that continuing thing? Is it going on this year?

Mr. GORDON: I hope so. The minister made a statement on that.

Hon. Mr. MARLER: Yes, I said we had had an interdepartmental committee which was looking over the operation of the Canadian National (West Indies) Steamships and our expectation was that on the average the deficit would probably run about \$200,000 per annum. It was actually less last year; but on a long term basis over the five years to which I referred in my statement in the House of Commons we anticipated that it might run to an average of \$200,000 per annum loss.

Mr. KNIGHT: One other question, Mr. Gordon. When did you get rid of your last passenger ship as such?

Mr. GORDON: The Lady boats?

Mr. KNIGHT: Yes.

Mr. GORDON: 1952.

Mr. KNIGHT: Well, this increase in loss of passenger revenue over last year is based on the passengers that were carried by these freighters?

Mr. GORDON: Yes.

Mr. KNIGHT: That seems to be a large figure in proportion to the amount of passengers they can carry. How many passengers can they carry?

Mr. GORDON: Only 12. It is a very small operation.

Mr. KNIGHT: I mean there is a large decrease there in passenger revenue, at least it seems so. I am reading from the bottom of page 5 of the report.

Mr. GORDON: That also was due to the fact that the Canadian Challenger, which was one of those ships, was out of service for repairs. That is the same reason we mentioned that we had to cut down on the inter-island calls as referred to by Mr. Bell.

Hon. Mr. MARLER: I do not know whether Mr. Knight understands that the vessel carries 12 regular passengers and also a certain amount of deck passengers on the inter-island trade.