

14-15 GEORGE V, A. 1924

we have been getting some ginger into the Merchant Marine proposition, and we are reaching out every day with our European and Continental connections, and in the Orient and the West Indies, and elsewhere. Now, I would not like to abandon that service because I feel there is a fair fighting chance, by putting some brains and intelligence and a lot of ginger into the thing that we can make something out of it. I would not like to abandon the service until we had tried that experiment and had an opportunity of putting forth our full effort.

*By the Chairman:*

Q. Is there a possibility of making it go?—A. I refuse to admit that anything cannot be done. I am quite willing to take a shot at it, and I believe there is enough promising to justify the shot.

Q. Has the Board thought wise to make recommendations as to further acquisitions?—A. Only in this way; I think there are two things we ought to do. I think we ought to make further acquisition with respect to the West Indian Service. I am fully convinced that is a very tillable field. I think we ought to have additional vessels for our Pacific Coastal traffic, which is showing a profit, so we are not sending good money after bad.

*By Hon. Mr. Graham:*

Q. You think you need another boat?—A. I think we need another boat, and we have the money with which to build it. We sold two or three ships some time ago and that money was set aside for renewal purposes, and that could very properly be used, with a couple of hundred thousand dollars—a small amount—additional. This is for the coastal service to Alaska.

*By Sir Henry Drayton:*

Q. And how many do you need for the West Indies?—A. Four. I think these four ships could be built for \$4,000,000. I know I can finance \$2,500,000 of that in debentures or bonds on the ships, so that would only leave \$1,500,000 of ready money to be provided, and that could be provided on some kind of a Government guarantee. We would not be taking money out of the Dominion Treasury for that purpose.

Sir HENRY DRAYTON: No, we would say, "You are adding to the debt of the country," and Mr. Graham would say, "we are not."

THE WITNESS: Put it any way you like, there is \$1,500,000 to come anyway. Now, if you continue the same subsidy that you are paying to the Royal Packet Line, and if the West Indian Government pays us the same subsidy that they are bound by treaty to provide us with, that business then becomes highly profitable, because the subsidies we would get would practically pay the capital carrying charges, and I estimate that within 15 years we could not only pay for the whole cost of operating the service, but we could get enough money to amortize the total investment, so the best shipping proposition we have is the West Indian proposition with four new ships, and all we would ask for is to get the same subsidies.

*By Sir Henry Drayton:*

Q. The company is obligated to give a certain service?—A. Yes.

Q. Are they doing that?—A. We are not living up to our obligations.

THE WITNESS: I have four new boats in mind which would give the service you are speaking of; they would give first class service.

*By Mr. STEWART (Humboldt):*

Q. Would these new boats be of a different type from what you have now?—A. Yes, they would be equipped with adequate passenger accommodation. They would be ships that could hold up their heads in any class.

[Sir Henry Thornton.]