

The CHAIRMAN: Thank you, Mr. Gordon. Are there any questions about that report of Canadian National West Indies ships?

Mr. BELL: Mr. Chairman, I think we are all pleased to see that the West Indies steamships had a better year. There are one or two questions I would like to ask with reference to the annual report. You say in the report, Mr. Gordon, that it was necessary to reduce the number of inter-island calls and therefore the passenger revenue showed a resultant decrease. Can you tell me exactly why? I realize that passenger traffic revenue is not much, but can you tell me why it is necessary to reduce inter-island calls.

Mr. GORDON: That was because of the withdrawal of the Canadian Challenger for repairs.

Mr. BELL: But the way the report reads—

Mr. GORDON: It is not very well worded, I agree. The two things should have been bracketed together.

Mr. BELL: Now, with respect to freight traffic generally, last year we mentioned that there was considerable competition in the northbound run with Saguenay terminals and Alcoa. I notice the freight rates were increased for sugar, but you mention that the rates could well bear further increase. Would you tell me how the rates are effected?

Mr. GORDON: Well, purely by competition.

Mr. BELL: It is just a matter of deciding, and therefore where there is not as much competition—oh, the competition is on the northbound?

Mr. GORDON: Yes.

Mr. BELL: That limits the fact that you cannot raise the rates to what you feel they should be in comparison with other runs?

Mr. GORDON: We have to meet the market if we are going to get the traffic.

Mr. KNIGHT: Mr. Gordon, what is the situation in regard to the southbound traffic? Is the amount of Canadian goods that these people are buying down there keeping up or is it decreasing; in other words, to what extent is your southbound space filled?

Mr. GORDON: Well, I can do that by giving you the actual tonnages between the two years. In 1954 the tonnage was 136,635 as against 127,885 for 1955. The main decrease in that figure seems to be in flour where we dropped about 12,500 tons as between the years.

Hon. Mr. MARLER: I think, Mr. President, the great difficulty about moving southbound traffic is the fact that there were restrictions on trade and on imports in many of the West Indies.

Mr. BATTEN: Mr. Chairman, with relation to your southbound traffic we in Newfoundland have a good deal of fish which is shipped St. John's to Halifax and from there to the West Indies. What would be the possibility of having a portion of this service operate from Halifax to St. John's carrying Newfoundland freight and from there to the West Indies?

Mr. GORDON: We cannot provide that service on the present schedule and remain competitive. It would enlarge our sailing time to a point where we could not provide a competitive service but at this point if I may introduce Mr. Sauve who is our general manager of Canadian National (West Indies) Steamships he can perhaps explain that in more detail.

Mr. BATTEN: It has to do with organization of the trips and time schedule?

Mr. GORDON: If we run into St. John's it would take about four to five extra days in our steamers which would put us in a poor competitive position with Saguenay Terminals, and in so far as motor vessels are concerned we would take possibly about three days which would extend our trip so that