

Mr. CLARK: You make a general statement; how do you account for the fact that they have increased their fleet tremendously on the Pacific, trading with the Orient?

Mr. TEAKLE: But not in recent years. They put the Australia on in the last two years.

Mr. CLARK: In recent years, the fleet is entirely new since the war.

Mr. TEAKLE: Quite.

Mr. CLARK: And I believe they still have plans in view of increasing it further.

Mr. TEAKLE: I have not heard of them, and I thought I was fairly well in touch with their situation.

SIR HENRY THORNTON: I have heard of that and I think they are, but that is another story. I think if you ask the question you will find they are losing money, but they probably feel that it is a sufficient field to justify keeping in for the future.

Mr. CLARK: Is that loss of money attributable to the present situation in China?

SIR HENRY THORNTON: I do not know that I can answer that, I do not really know. Undoubtedly it has some effect on it; for instance, we know that in Hong Kong, the Chinese are boycotting us and at Canton. They are boycotting British shipping which would include our own shipping trading into China. It is boycotted by the Chinese.

Mr. TEAKLE: I wonder, Sir Henry, if I might ask Mr. Wood if it would be all right to break our own silence as to what you and I know about the Oriental situation, or should we not.

Mr. WOOD: I do not think it would be advisable.

SIR HENRY THORNTON: No, I do not think so. Not at all. The Pacific situation is in a delicate position at the present moment.

Mr. JOHNSTON: Getting back however, Mr. Chairman, to the sale of ships, I understand Mr. Teakle to say that you have sold two of the N. F. Paterson Grain Company.

Mr. TEAKLE: I think we sold four to them.

Mr. JOHNSTON: They are using them in the grain trade on the lakes.

Mr. TEAKLE: They are using them in any trade, coal and ore for instance. We were handling grain only.

Mr. JOHNSTON: It would appear that the Paterson Grain Company can buy and operate those ships.

Mr. TEAKLE: The Paterson Grain Company has its own business, its own elevators, and everything else has it not?

Mr. JOHNSTON: He has his own elevator.

SIR HENRY DRAYTON: His profits on mixing may amount to something.

Mr. JOHNSTON: He would have those profits just the same.

SIR HENRY DRAYTON: Yes, that is all so.

Mr. POWER: It is a way of covering the profits. He loses on the Marine.

Mr. JOHNSTON: If the Paterson Grain Company operate these ships, they must think they can do it at a profit.

SIR HENRY THORNTON: They may command a traffic, like Henry Ford, who bought the broken down D. T. and L. Railway and was able to flood that railway with his own traffic and made a railway which had formerly been bankrupt a paying proposition.

SIR HENRY DRAYTON: Exactly the same proposition as the J. R. Booth, on the line here.

SIR EUGENE Fiset: That was clever enough to change a deficit to a profit.

SIR HENRY DRAYTON: You can do it easily if you have the traffic.

SIR HENRY THORNTON: You can do anything if you have got the business.