

so far as our exports to Newfoundland are concerned.

With reference to the trade with Newfoundland, it is not all indicated by any means by that line of traffic between Sydney and Port aux Basques, because there are other steamship services carrying traffic from Canada to Newfoundland and carrying back fish and other products. From Halifax there has been and is now regular service to Newfoundland ports, but since the vessels of Canada's Mercantile Marine have been launched very considerable additions of fleet carrying capacity have been made on that line and are now supplying the service between Newfoundland and the Canadian ports. From this time out a very considerable addition will be made to the carrying fleet between Canada and Newfoundland by the services of the Mercantile Marine vessels.

Mr. McKENZIE: I wish to direct the minister's attention to the fact that for a good many years, I do not know how many, the vote for the service between Port Aux Basques, Newfoundland, and the terminus of the Government railway at North Sydney was \$70,000, and this year it has been cut in two. I think it will appeal to the committee that under present conditions, with coal costing three times what it used to cost; when engineers, deck hands, and all the contingencies that appertain to a steamer are three times more expensive than they were in former years, and when the demands upon the service are heavier than ever they were before, calling for a greater degree of efficiency than in the past; it is somewhat difficult to understand how the Government expects to get for \$35,000 the service which was rendered before for double that amount. One would imagine that the Government would be only too glad to get along without any increase in the subsidy, and it is rather inexplicable how they can hope to accomplish with \$35,000 what formerly \$70,000 was just sufficient to provide. I have brought this matter to the attention of the minister on several occasions and I was wondering whether there would be a substantial item in the Supplementary Estimates that would increase this amount that is provided here. If there is an item in the Supplementary Estimates—

Sir GEORGE FOSTER: There is not.

Mr. McKENZIE: I did not notice any item. I do fear that this service will be-

[Sir George Foster.]

come demoralized, and the Read Newfoundland Company cannot possibly on this small subsidy give the service which they used to give. As regards the statement that the company are selling their boats, I do not profess to have any knowledge in the matter, but my information is that these steamers were commandeered as a war measure. They were taken from the company. Any steamers required for the Russian Government were obtained through the agency of the Imperial Government, who took over these vessels from the Read Newfoundland Company, paying for them, of course, and passed them over to the Russian Government. The minister is perfectly aware that during the war it was extremely difficult to get steamers built. The Read Newfoundland Company are very enterprising. They have very great difficulties to contend with, but Sir Robert Read, the founder of the company, and his sons are men of great energy and industry. They have to contend with weather conditions in Newfoundland, snow, ice, etc., and it is exceedingly difficult for them to carry on business. The trade on the island has its disadvantages; there are large tracts of unsettled land, dreary wastes and barren soil, and the people have to battle with the snow all winter without many breaks by way of cities or towns that render difficulties of this kind less formidable. This is the condition with which they have to grapple, and there is the further fact that their steamers were taken over. They have never got back to a pre-war basis and I do not think they have succeeded in getting new steamers built. They have some fairly good steamers. The Kyle is a very good boat but possibly it is the only first-class steamer they have. The people of Newfoundland have nothing else by way of transportation facilities than the Read Newfoundland Company. For good or for ill, it is the best they have, and while one might contend that there is no obligation on us to look after conditions in Newfoundland, we must bear in mind that those conditions exist and that it is well that they should be improved in view of the fact that we have established a large trade with that Dominion. The National railways connections are through the agency of the Read Newfoundland Company. I think we should hesitate before striking such a blow at this subsidy as will be likely to demoralize the trade conditions that have arisen between ourselves and Newfoundland through the agency of the Read Newfoundland Company during the last