

APPENDIX No. 5

By Hon. Mr. Graham:

Q. For the West Indian trade?—A. For the West Indian trade, and perhaps, the Pacific trade as well—we could do very well with it. There is the further fact, and it is growing on my mind, that the Argentine ship enormous quantities of meat to England. Why cannot we do the same thing in Canada? Why should we not? I cannot see any reason why we should not, that is, as far as a mere cursory examination goes.

By the Chairman:

Q. You think these 60 vessels could be made successful in that way?—A. I think we can do better in the future than perhaps we have done in the past, but I do not think we will ever get the maximum efficiency out of our ships, nor shall we be able to perform with efficient service to the industries of Canada, until we put ourselves in the same position as other shipping companies.

Q. My point is this: I can see your point, and I agree with you absolutely, but we might have an equipment of vessels that would be operated in connection with the National Railways somewhat similar to the C.P.R. What I want to get at is this, whether the fleet we own now can ever be made to work into a scheme of that kind, or is it a losing proposition, and should be dealt with from that point of view?—A. I think it is going to be a pretty hard matter to take this Merchant Marine fleet just as it stands and break even on it, but I think there is a fighting chance.

Q. I am looking at the statement here which shows a net loss for the year of \$9,368,000. If that fleet were entirely tied up, the loss would be reduced only by the amount of the operating loss. You would still have to assume the interest payments?—A. You could not get rid of the capital payments.

Mr. STORK: There is more involved in this than that, because while the Merchant Marine did operate at a loss of \$9,000,000, yet, it seems to me, it induced a certain amount of traffic over the other utility, and that must be taken into account.

The WITNESS: And you must take this into consideration. There are certain services that are promising, and I think the West Indian service is distinctly promising. Our Pacific Coastwise Service showed a profit of \$84,000 last year. That is a very tillable field, that Pacific Coastal traffic, and should be pushed. I think we can show improvement in respect to our Oriental traffic.

By Sir Henry Drayton:

Q. Is it not a question of getting the boats on the routes where they will pay?—A. Yes, that is true, but there are certain services you cannot entirely ignore, but, broadly speaking, that is a correct statement.

Q. I think those cargoes—A. Take this new service we have established from Vancouver, through the Panama Canal, to England. That is promising. We are putting on a service between Halifax and Vancouver, via the Panama Canal, competing with our own railway, but it is an essential service, and we felt if we were going to have competition it was better for us to do our own competing.

Q. It is a big problem to get our products moving as cheaply as possible?—A. Somebody will do it.

By Hon. Mr. Graham:

Q. You have the traffic by rail from Halifax inland, in the east, and in the west, from Vancouver inland?—A. Perhaps I could answer the Chairman's question this way. If I were asked directly, "Will you or will you not abandon the Merchant Marine," I should say, "No," very positively, and one of the reasons for saying that is this; that it is only in comparatively recent months

[Sir Henry Thornton.]