

## APPENDIX No. 5

and has examined in detail the operating and income statements of the Company for the year ending December 31, 1923. Your Committee notes that the net results have been somewhat improved during 1923 in comparison with 1922, notwithstanding the depression which existed in world trade conditions, which have made difficult the profitable employment of cargo tonnage of restricted size and speed, as is the case in connection with the Canadian Government Merchant Marine.

Your Committee is also impressed with the conviction expressed by the President of the Canadian National Railways that during the coming year the position of the Canadian Government Merchant Marine will be materially improved, and attention is drawn to the fact that the amount requested in the Estimates for the fiscal year ending March 31, 1925, is \$900,000, whereas the amount included in the Estimates for deficits in operation for the fiscal year ending March 31, 1924, was \$1,500,000.

Your Committee is accordingly unanimously of the opinion that the amount asked for for the coming year, namely, \$900,000, should be passed by the House.

In the course of its investigations, several matters were discussed to which your Committee feels the attention of the House should be directed:—

- (1) The Atlantic Service.
- (2) The Pacific Service.
- (3) The Atlantic-Pacific Service (via Panama.)
- (4) The Great Lakes Service.

(1). *The Atlantic Service:—*

The Atlantic Services consist of the following:—

*United Kingdom:*

Fortnightly service to Cardiff and Swansea.

Fortnightly service to London and Antwerp.

In connection with the services to the United Kingdom, your Committee was considerably impressed by the evidence adduced to the effect that large quantities of chilled beef, 4,600,000 quarters, were imported into Great Britain during the year 1923, of which amount only 568 quarters were imported from Canada, the balance coming largely from the Argentine and Brazil.

The Canadian Government Merchant Marine have but four vessels in the Atlantic service operating between Canada and the United Kingdom equipped with refrigerating accommodation of 10,265 cubic feet each, whereas vessels in the Argentine trade have refrigeration capacity from fifteen to thirty times as great.

Attention has been drawn to an experiment conducted in the early months of 1923 by the Experimental Farms Branch of the Department of Agriculture and reported by the Animal Husbandry Division, Central Experimental Farm, Ottawa, in pamphlet Number 39, which indicates that this experiment with chilled beef gave a decidedly poor return, due to lack of uniformity in weight of carcasses and lack of knowledge of requirements of the Smithfield market.

Due to the tendency on the part of the European public to consume increasing quantities of chilled beef, it would appear to the Committee that considerable trade in this commodity might be developed between Canada and Europe with resulting advantage to the cattle raiser and also to the Canadian National Railways if some means can be devised whereby the Canadian cattle raiser can compete in the British market with his Argentine competitor and, in this connection, the Committee feels that this question deserves the very serious consideration of the Government. Further, in view of the present condition