

statement as to what we could or could not do. I have your point, and I would like to have time to examine it and give you an answer later on.

*By Mr. Milne:*

Q. Do these steamers come in what they call the liner class, or are they tramps, the steamers running to the United Kingdom?—A. You would not call them liners, as one understands that word. It is rather a vague word, but liner generally means a vessel of more than 10,000 tons, I should say, or more than 15,000 tons capacity. Our vessels, our largest vessels, are about 8,400 tons, and they would correspond in capacity to the usual type of what is called a tramp steamer. I think that is about as nearly as I can answer that question.

Q. Do they all comply with the conferences that the steamship people hold regularly, so far as rates are concerned?—A. There is what is called the North Atlantic Conference which, as I understand it, is a conference of vessel owners and shipping companies operating in the North Atlantic, and that conference is for the purpose of determining conditions and rates and all that sort of thing. Broadly speaking, we comply with the general arrangements that have been reached.

Q. That is with all the vessels of the service?—A. Yes. I am not altogether sure that I really understand your question, but I think I have answered it.

Q. I understand there are certain companies that attend these conferences and fix their rates. There are certain other companies that have steamers plying between certain ports that apparently do not attend the conferences.

Mr. DOHERTY: There are occasional steamers coming into berth that do not quote conference rates. The lines operating out of Montreal are quoting the same rates, and the rates quoted from Montreal are the same rates as quoted from the ports on the North Atlantic coast of the United States.

*By Mr. Milne:*

Q. There are a number of liners giving rebates on freight, I understand. Does the Merchant Marine carry on the same practice?

Mr. DOHERTY: We do not make rebates.

The WITNESS: Is that a practice?

Mr. DOHERTY: I have never heard of it.

Sir HENRY DRAYTON: It used to be, but I think it was stopped.

The WITNESS: I think it was something like the old rebates that used to be paid in the railway business some 30 or 40 years ago.

*By Mr. Stewart:*

Q. There is just one statement I would like Sir Henry to make before going into these other matters. Sir Henry has intimated it might be wise to increase the fleet. Our statement shows there are at least two of our services that are accountable for very large losses last year, to England and to Australia. I think he might make a statement to show the necessity of keeping on those services and at the same time adding further services where he thinks they will be profitable. Will you just make a further statement? You have already answered one question, and that is that you have not ships which would be suitable for the development of the West Indies Trade? I think we should be sure that the boats we have are not suitable for other work, and whether they could not be taken off the services they are on without adding new boats.—A. I think our vessels are probably, in some respects, more satisfactory for the Pacific trade than might be the case in the Atlantic trade. For instance, with respect to the Atlantic trade, if we should ever get into the frozen meat and chilled meat business, we are insufficiently equipped for that, because we have

[Sir Henry Thornton.]