

*By Sir Henry Drayton:*

Q. You have given us typical trips— —A. No, these are actual trips.

Q. Where we have our loading very promptly. Have you anything typical in connection with mixed merchandise?—A. These were all mixed merchandise.

Q. Have you any without cattle, for example?—A. No, because as I recall the request of the Committee, they asked for that. I can get that for you.

Q. These returns are not very encouraging. You must have something to offset them?—A. Probably not to the United Kingdom because, if I remember the figures rightly, our total United Kingdom trade showed a deficit of about half a million dollars.

Q. I think you gave us a "plus" in one instance?—A. Yes, that is right.

Mr. MACKINNON: Has the Government a Trade Commissioner at Dundee?

The CHAIRMAN: I don't know.

Mr. MACKINNON: Or Cardiff?

The CHAIRMAN: I cannot say.

The WITNESS: We do not show any profit to the United Kingdom, and we can charge all of that to the wretched condition of the westbound movement.

*By the Chairman:*

Q. These voyages show quite a loss?—A. Yes.

Q. As a straight business proposition, do you consider it advisable, and if so, for what reason, to continue to do a losing business?—A. That is a pretty difficult question to answer. In the first place, we have got the ships, and there has been a considerable amount of money invested in those ships. If we undertook to get rid of them, it is doubtful if we would realize, under present conditions, more than a percentage—a relatively small percentage—of their cost. In the second place, there is some value—just how much it would be difficult to say offhand, but there is some value in the fact that the railway company has these ships which can be used for overseas traffic in conjunction with the railway. Most railways, and notably the Canadian Pacific Railway have found it advantageous to develop a very efficient and elaborate steamship service which they operate in connection with their railway, and out of which they are making a fair amount of money. That service has been in existence for many years. They have built up their trade; they have established their foreign connections and their foreign agencies, but probably when they started they had a certain amount of difficulty and expense in the establishment of the service: but the fact that they had succeeded in establishing that service, after a period of years, and have made it profitable, indicates that it must be of value to them.

Q. Would you say this particular fleet we have now, of 60 vessels—has it any possibility of ever arriving at that condition? You spoke of the C.P.R.? They have different kind of vessels?—A. Yes.

Q. Is it possible to secure success, in your opinion, with vessels we have now, or will it be a continual loss from year to year?—A. I would not like to make a positive assertion, but I will say this, somewhat tentatively; that, considering our Merchant Marine as a whole, we have to go either forward or backward. If we feel that the Merchant Marine Service has a value to the people of Canada in all of their industrial activities, and to the railway itself, I think I should answer that question in the affirmative. Then we have to face up to, I think, putting these vessels, these implements in such shape as to get the maximum efficiency out of them. For instance, we have already seen with respect to our fruit traffic and some other traffics that we are not as well equipped in the way of refrigeration as we should be, and we think probably if we had such vessels as the United Fruit Company have—

[Sir Henry Thornton.]