

own ships and for our own railway?—A. From the railway point of view that is useful traffic, because it provides tonnage at points where we need it, that is to say, the Transcontinental from Winnipeg to Quebec. That is sparse in traffic, and it is a part of the railroad upon which I would like to build up traffic.

Q. Is the cattle disease which has been prevalent in England, a cause of the interruption of the shipment of cattle from Canada to the Old Country?—A. I suppose to a certain extent, it was.

Hon. Mr. GRAHAM: It closed some of the ports last year.

The WITNESS: I think all of the ports were closed for a time, excepting Dundee.

*By Mr. Harris:*

Q. One further question in regard to these fittings. You mentioned \$7,000 being the capital required to pay for fitting up a vessel?—A. Yes.

Q. Did that include the whole cost of changing them into vessels suitable for carrying cattle?—A. That includes the entire amount of money which we had to spend on the ships to make them suitable and available for handling cattle.

*By the Chairman:*

Q. You mean \$7,000 capitalized?—A. No, it cost \$7,000 per ship. We charged an item into our expenses of 5½ per cent per annum on \$7,000.

Q. That is the capital charge?—A. The capital charge is \$7,000 but only 5½ per cent per annum enters into the item.

The CHAIRMAN: I think Mr. Harris was under the impression that \$7,000 was the interest—

Mr. HARRIS: No, Mr. Chairman—

Sir HENRY DRAÏTON: No, that is the capital amount.

*By Mr. Stewart:*

Q. You made a depreciation over 10 years?—A. Yes.

*By Mr. Milne:*

Q. It is generally thought by the public that the cattle carried on the upper deck is using space that would not be used in any other way. That is not right, is it?—A. In preparing this statement we only charged against this cattle proposition that part of the space which would be available for other cargo. I do not know how much of that—

Mr. DOHERTY: Just the under-decks.

*By Mr. Jelliff:*

Q. What do you do with the fittings on the return trip? Do you have to tear out any of this stuff?—A. No.

Q. That does not cause you any additional expense?—A. No. Now, to go on with these various items of expense. Simmered down it amounts to this; it makes the cost of carriage per head \$17.48, and the revenue per head at the present rate is \$20, leaving a profit to the company of \$2.52 per head.

*By Sir Henry Drayton:*

Q. Does that include all the items you have mentioned?—A. Yes.

Q. And does that include a fair proportion of the fuel and other expenses of the voyage?—A. No, it is the bare cost of handling the cattle. We have not charged anything for operating the ships against these cattle. Perhaps we should.