

APPENDIX No. 5

The WITNESS: This whole thing is considerably involved with the possibility of westbound cargo. Obviously if you run a vessel full every day in the year eastbound, but can only get 20 per cent or 25 per cent or perhaps only even 10 per cent of the cargo capacity westbound, the voyage is bound to show a loss. The profits hinge very largely upon the extent to which we can secure westbound cargoes, and that applies not only to the steamship business but to practically every transportation activity. The deduction to be drawn from that is that we ought to address our efforts not only insofar as the railway and the steamship company is concerned, but so far as the Government can assist us in getting westbound cargoes. There is where the shoe pinches, and these figures point very emphatically to the necessity of getting more westbound cargoes in order to meet the deficit.

By Sir Henry Drayton:

Q. Do you carry coal on the westbound trips?—A. I do not think we have. There is very little coal westbound. We did once or twice, but there is not much in it. You get a very low rate on coal, and I doubt if the Welsh coal can compete with the ordinary coal here.

The CHAIRMAN: I see there will be a good deal of it come in this year.

By Sir Henry Drayton:

Q. What prospect is there of any heavy loading?—A. Westbound?

Q. Yes?—A. I suppose it would have to be manufactured articles.

Mr. DOHERTY: The prospect of immediate improvement is not too bright.

Sir HENRY DRAYTON: It takes a lot of manufactured articles to make a full cargo.

The WITNESS: Yes.

By Hon. Mr. Graham:

Q. Is it not a fact that under present conditions shipping all over the world is not in a prosperous condition?—A. It is so hard to tell about this shipping business. It is like a lot of the shippers. You never find anybody who is making any money. I remember I had a talk with Mr. Franklin, the President of the White Star Line, about three months ago. I know him very intimately and he, I am sure, told me what he thought. He said he never had seen the time when the shipping business was in such bad shape as it has been for the last two months; that nobody was making any money out of it and the whole situation was very discouraging. That, he said, was partly due to over-building, too much tonnage, and also due to the dislocation of international traffic, and general depressed business conditions everywhere, and I think the judgment of most people will be that the shipping trade, generally speaking, has been in worse shape for the last two months than it has been for many years.

By the Chairman:

Q. Any prospect for improvement?—A. The answer would seem to be that the improvement will depend on how soon we can restore international trade conditions to something like normal. Russia is substantially out of business from almost every point of view. They are beginning to produce a little wheat for export, but not much; generally speaking, Russia, as a factor in international trade, has disappeared. Germany, of course, is beginning to export now, taking advantage of her depreciated currency and low rates of wages, and so on, but still Germany is far from the factor in international trade which it was before the war. Business conditions in England are bad; costs of production have gone up, due to increase in wages, and nearly everywhere you go you find a dislocated business condition either directly or indirectly growing out of the war.

[Sir Henry Thornton.]