

—A. In the statement I gave on the Japanese subsidies there is one line which goes to Seattle and also to Vancouver; but I do not think it goes to Vancouver directly.

Q. So that the Japanese subsidized ships would be going to the United States rather than from Japan to Canada?—A. Yes. They include a call at Canadian ports.

Q. I am now referring to page 42. Have you any information as to why there is the difference in subsidy to the United States lines? I notice the subsidy runs all the way from \$8 to \$2.25. There are some lines receiving only \$2.25 and there are others receiving \$8.—A. Yes.

Mr. NEILL: \$10.

WITNESS: That depends largely on the tonnage and the speed of the ships. Those ships that are shown as receiving \$2.25 a mile are probably slow freighters. The vessels receiving \$4, \$8, and \$10 a mile would be fast passenger liners, very much faster and very much larger.

Q. I notice the subsidy has been dropped in one instance from \$500,000 to \$250,000 for this year?—A. Yes.

Q. On one of the Atlantic lines?—A. Yes.

Mr. REID: The statement has been made by many of the companies, if not all, asking for subsidies that if the subsidy is cut or not increased, they will be unable to carry on. In this case there is a drop from \$500,000 to \$250,000.

Mr. MacKENZIE: What page is that?

Mr. REID: Page 49 of the report.

WITNESS: What is the question, Mr. Reid?

By Mr. Reid:

Q. How will they be able to carry on if they get only \$250,000 instead of \$500,000, having in mind their argument?—A. The explanation the minister gave in the House of Commons a few weeks ago, when steamship estimates came up, was to the effect that this company had improved its position within the last twelve months.

Q. It had?—A. Yes.

Q. Would the same thing apply during the years 1921 to 1930 on the Pacific coast when no subsidy was given during all those years and yet those steamship companies carried on?—A. I cannot say as to that, because I have no particulars as to the business those ships did during those years, as to whether they made profits or losses, or what they did.

Q. Has any data been given, at any time, to the department regarding the profits and losses of these companies? The reason I ask that is that they make representations of their own to the department for a subsidy; and at times, if not often, when they are asking that the subsidy be increased they put forth the argument that they require this subsidy to meet other steamship lines and the increased cost. Has any data ever been put forward regarding the profits, losses and the running expenses of these companies?—A. Yes. All subsidized steamship lines are required to submit financial statements showing the profits or losses every year, under the terms of their contract. But these statements are confidential and they cannot be made public. The department has the figures.

Q. In that data, are the wages paid included?—A. Yes, the wages paid are included; not the details of the wages paid, but the total amount of the wages paid.

By the Chairman:

Q. These figures are there when the question of a new subsidy comes up before the government?—A. The minister and the government consider them, yes.

[Mr. F. E. Bawden.]