

By the Chairman:

Q. I am not clear about your statement that the only practical way to do it would be to change one department for another?—A. I mean, sir: take the deck, you could not have some Chinese and some whites on the deck; you would either have to make them all Chinese or all whites, and the same is true of the engineroom or of the victualling department.

By Mr. MacInnis:

Q. With regard to this item of \$250,000 for structural alteration, what would those alterations be? What are the reasons for making them?—A. To provide sleeping accommodation and the victualling accommodation that would be necessary if you were going to accommodate white crews—principally mess rooms, bath rooms and toilets.

By Mr. Isnor:

Q. With regard to sleeping accommodation, I thought there was a regulation about that?—A. It is not as rigid in the case of orientals as in the case of whites.

By Mr. MacInnis:

Q. Is that lack of rigidity mentioned in the regulations?—A. I would have to refer to Captain Aikman, because that is a practical matter and I am not familiar with it. That is the estimate that has been made up on what it would be necessary to spend to change the ships so as to accommodate white crews.

The CHAIRMAN: Captain Aikman will be able to go into that more fully?

Mr. FLINTOFT: He will give you any evidence you desire in regard to it.

There is another phase of the question which was dealt with by Mr. Clendenning in his submission, and that is the effect on our relation with the Chinese. I do not think I need expand that, but it may have; and we are really fearful that it might have a very serious effect. When I say that I am speaking from the company's standpoint particularly, on the diversion of traffic from the ships. Now, indirectly that would be a very serious thing for the Canadian route, because we are fighting just as hard as we can for traffic for those ships and we are faced with the keenest kind of competition from the Japanese and the United States. We would not like to see anything happen which would deprive us of traffic which, of course, is of benefit not only to the ships but to Canadian rail lines as well.

Now, sir, there is a short further statement in regard to the B. C. coast services where we have seventeen ships in operation with a capital investment of \$11,827,000 of which about \$4,500,000 is invested in the ships operating on the west coast and Alaska subsidized services.

All of these ships are not in active service throughout the entire year, because much of the traffic is of a seasonal nature and while it is necessary to maintain a large fleet during the heavy summer months some of the ships are without employment during certain portions of the year. These ships are officered and manned by white Canadian crews and Chinese are employed in the kitchens and pantries. The average number of Chinese on the seventeen ships throughout the year is 72, and the average number of whites 717. Of the Chinese 13 were born in British Columbia. In addition to the expenditure in 1935 for wages, of \$1,048,476 that paid for purchases, including fuel, amounted to \$1,047,345, with \$210,889 for repairs to ships, and on wharves, terminals, etc., a total annual outlay of \$2,306,710. This large expenditure is worthy of consideration. A very large part of that is spent in British Columbia.