

Sir HENRY THORNTON: I do not know as to that. I should think what they did is, they simply sold their ships for what they could get and wrote it off, wrote it off as a bad debt.

Mr. HACKETT: Is it not a fact that the United States went off the shipping business in as far as operation goes in 1921?

Sir HENRY THORNTON: I think the United States did have what is known as the United States Lines. For instance, the Leviathan is still running and they are very heavily subsidized, Mr. Hackett.

Mr. HACKETT: I am not talking about passenger service; I am talking about the Merchant Marine and the freight service that was brought into existence during the war.

Sir HENRY THORNTON: I think perhaps Mr. Teakle who is in charge of the Canadian Government Merchant Marine can tell you something about that. Mr. Teakle, will you tell Mr. Hackett and the committee about that?

Mr. TEAKLE: When they first started out in their programme, they allotted the ships to various operators.

Mr. GEARY: Excuse me just a moment, would you stand up, I cannot see you?

Mr. TEAKLE: When the ships were built and turned out from the yards the United States government turned the ships over to various operators, with certain rights and so on. As time went on they found it rather a very expensive proposition and they endeavoured to sell as many ships as they could. As the president has said, the United States Lines is one of the results of that. They have given each of the systems very heavy subsidies in mails. Other ships they have operated, but they are trying to dispose of as many of their ships as they possibly can.

Hon. Mr. EULER: Including passenger boats?

Mr. TEAKLE: I do not say anything about passenger boats.

Hon. Mr. EULER: Are they trying to sell those boats? \*

Mr. TEAKLE: The United States Lines took over some.

Mr. HACKETT: This is a different service.

Hon. Mr. EULER: I think the United States has abandoned the shipping business—

Mr. HACKETT: My question is, is it not a fact that the United States abandoned the carriage of freight as a business in 1921? I know that they are operating the line in competition with British and German mail carrying ships.

Mr. TEAKLE: That is true in principle, but they have got around it in another way by taking care of the operators. They give heavy subsidies for the carriage of mails.

Mr. DUFF: Another reason in addition to that is they had a large number of privately owned ships in the United States, which we did not have.

Sir HENRY THORNTON: Yes.

Mr. DUFF: A large number of privately owned ships to do the business.

Sir HENRY THORNTON: Yes.

Mr. HANSON: Coming back to the subject immediately under consideration, I should like the committee to turn to the income account of the year ending 31st December, 1930 and 1929, and look those figures over. You will find on page 8 the operating revenue for 1930 was \$5,164,903.11; in 1929 it was \$8,371,444.23. The operating expenses for 1930 were \$5,999,114; in 1929 the operating expenses were \$9,250,348.44, leaving a deficit of \$834,210.89 in 1930, and \$878,907.21 in 1929, including other charges, the net income deficit in 1930 was \$5,844,757.39, and in 1929, \$5,928,758.83. If you will turn to the Con-