

are as high or higher—I will say they are higher—but they have a subsidy for their Pacific service which service is directly competitive with us amounting to nearly \$6,000,000 as compared with \$749,000, the figure I gave for our subsidy.

Mr. MACINNIS: Is the number of ships the same in both cases?

Mr. FLINTOFT: No; that is the total amount paid, Mr. MacInnis. I do not suggest that there are the same number of ships.

Mr. MACINNIS: You cannot compare the figures unless you compare the number of ships.

Mr. ISNOR: And the services.

Mr. FLINTOFT: You can compare the mileage and the number of trips. I think really the number of trips governs.

Mr. REID: It is hardly fair to make a blanket statement that the wages are lower.

Mr. FLINTOFT: The details are all here.

Mr. HOWDEN: If we do not proceed with this submission we will not be able to finish.

The CHAIRMAN: I think it would be better if we could have the submission first and the questions afterwards.

Mr. FLINTOFT: I am very glad to do whatever is the pleasure of the committee.

The CHAIRMAN: I think we have found out by experience that that is the better method.

Mr. MACNICOL: Yes.

Mr. FLINTOFT: In these last named nine services over 1,400 Canadian citizens are employed.

Steamship subventions are provided by government (a) to make available for Canadian exporters dependable steamship services with regular sailings to enable them to compete in the markets of the world, and (b) to assist shipping companies operating services necessary in the public interest to pay their operating expenses and some return on capital invested.

In most cases the subvention agreements provide for the free carriage of Canadian mails. The Department of Trade and Commerce insists upon, and does obtain from the companies, reports of yearly revenues and expenditures.

The company received from the Federal Government subventions for the fiscal year ended March, 1936, as follows,—

1. Canada and Great Britain.. . . .	\$500,000
2. Canada, China, Japan and Manila.. . . .	749,000
3. Vancouver-Alaska.. . . .	12,000
4. Vancouver-West Coast Vancouver Island.. . . .	10,000
5. Minas Basin.. . . .	2,000

In addition to the amounts covering the Alaska and West Coast Services, we received from the Post Office Department a small additional payment for the carriage of mails.

The shipping industry practically the world over, has for some years been at low ebb. Lines operating on scheduled routes in many instances have not been able to meet out of pocket expenses, let alone depreciation charges and interest on the money invested in their fleets, and Governments have recognized the necessity of coming to their assistance in order to maintain essential trade routes.