

difference in the cost of constructing ships in the United States yards as compared with the yards of competing foreign countries, and further an equalization subsidy for the operation of ships equal to the difference between the cost of operating the ships under the United States flag and the flags of foreign countries.

The CHAIRMAN: Levelling up the cost.

Mr. FLINTOFT: Yes, and it is estimated that that will involve as much if not more in money than they may have been given under what they call the direct subsidies.

Mr. NEILL: Before you leave page 2, you say in the middle of the page:—

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

1. Canada and Great Britain.. . . .	\$500,000.00
2. Canada, China, Japan and Manila.. . . .	749,000.00
3. Vancouver-Alaska.. . . .	12,000.00
4. Vancouver-West Coast Vancouver Island.. . . .	10,000.00
5. Minas Basin.. . . .	2,000.00

Mr. FLINTOFT: Yes.

Mr. NEILL: It comes roughly to 1¼ per cent.

Mr. FLINTOFT: For all these services, Mr. Neill.

Mr. NEILL: Yes.

Mr. FLINTOFT: Yes about \$1,300,000.

Mr. NEILL: Here is a return made by the government three years before that, which runs into almost four and a half million from the Post Office Department and the Department of Trade and Commerce.

Mr. FLINTOFT: The subsidy was reduced from 1931 on.

Mr. NEILL: This is the fiscal year ending March 1932, and I do not think it has been reduced in three years to that extent.

Mr. FLINTOFT: What is the source of those figures.

Mr. NEILL: A return in the House: "What amounts were paid for the carrying of the mail to the Canadian Pacific?" And the Post Office Department replied: \$3,400,000 and the Department of Trade and Commerce replied: \$1,217,000."

Mr. FLINTOFT: I assume that includes the rail as well.

Mr. NEILL: Possibly.

Mr. REID: It is not my desire to interrupt, Mr. Flintoft, but in regard to page 2 referring to wages you say:—

In addition, the scale of wage on ships of German, French Japanese, Italian and Scandinavian registry, is lower than that paid the crews of British and Canadian ships.

That is not so according to the figures tabled in the British House of Commons in 1934, a copy of which I have in my hand.

Mr. FLINTOFT: I think possibly Commander Aikman can deal with that.

Mr. REID: As a matter of fact, Scandinavian countries pay the highest wages.

Mr. FLINTOFT: We are not in competition with them at all, on the Pacific.

Mr. REID: I mention that because it is a most important point. There is no question about it that so far as the services we are dealing with are concerned the wages paid by the Japanese who are our principal competitors are very much lower than we have to pay, and of course in the case of the United States they

[Mr. E. P. Flintoft.]