

I might qualify that, Mr. Chairman, by saying that the vessels proceed to Manila, as well, and two of them are routed to Honolulu.

These services are maintained in competition with (a) Japanese lines, (b) United States lines. The Japanese lines receive heavy subsidies from the Japanese government and apart from this, employ exclusively Japanese officers and crews, who receive a considerably lower wage scale than is acceptable to Canadian crews.

The United States lines receive subsidies from their government considerably in excess of those received by the Canadian vessels.

The Canadian Pacific Steamships receive by way of subsidy or mail subvention \$600,000 per annum from the Canadian government and their contract calls for, inter alia, vessels of a certain high class and speed, and a guaranteed schedule with penalties for non-observance, and 26 voyages per annum.

The above must be contrasted with the subsidies paid to United States lines operating to the Orient. According to the annual report of the Postmaster General of the United States for 1931 pp. 129-30 (the latest available to us) the following postal subventions were paid to United States lines operating from Pacific Coast ports to the Orient.

- San Francisco to Manila—Dollar Lines—26 voyages per annum—\$1,473,000 per annum.
- San Francisco to Dairen—Oceanic and Oriental Navigation Co., 14-19 voyages per annum—\$356,000 per annum.
- Seattle to Manila—Admiral Oriental Line—24 voyages per annum—\$1,473,000 per annum.
- Portland to Manila—Admiral Oriental Line—24 voyages per annum—\$434,000 per annum.
- Portland to Dairen—States Steamship Co.—12 voyages per annum—\$205,000 per annum.
- Tacoma to Manila and Dairen—Tacoma Oriental S.S. Co.—24 voyages per annum—\$393,000 per annum.

It must further be noted that American shipping has been assisted in addition to the mail subventions above noted by the purchase of most of the vessels now operated by the lines mentioned above from the United States Shipping Board at a small fraction of their cost and on easy terms.

We quote the following from "Maritime Trade of the Western United States" by Eliot G. Mears, Standard University Press 1934, page 402:—

Between 1923 and 1928 the Shipping Board disposed of all of the government-owned services on the Pacific. The Pacific coast was therefore the first to emerge from the war-imposed conditions of government ownership and operations. The "President" ships, which were combination cargo-and-passenger type vessels of 10,500 and 14,200 gross tons, were sold at prices ranging from \$50 to \$80 per ton, a small fraction of their original cost. To the extent that serviceable ships have been sold to American shipping companies at prices well below their replacement cost, such companies have been relieved of a portion of their overhead burden and hence have been assisted in the competitive struggle with both American and foreign operators. A further aid granted to United States shipping operating on the

Pacific is the Construction Loan Fund authorized by Congress in 1928.

We quote from the same source page 401:—

In addition to postal subventions, other financial aid is extended to the American shipping and shipbuilding industries. Among the most important of these is the revolving loan fund available at low