

Then follows a statement as to the assistance given by the countries with which we are chiefly in competition, the assistance given to shipping. I do not know that I need take up your time in detailing that because it was given pretty well by Mr. Bawden in his evidence.

In this case of Great Britain you will remember that 2,000,000 pounds was set aside for subsidies for tramp voyages and 10,000,000 pounds for loans to go towards the modernization of merchant vessels to be loaned at not more than 3 per cent, and in addition the British Government paid out for 1935 for transportation of mail \$6,852,000.

You will remember that in the United States there is a very liberal provision made for United States ships, and you will notice on pages 3 and 4 of the brief that the routes are detailed. The Trans-Pacific routes are dealt with specially, and for those routes, with most of which we are in competition, a total of \$5,863,533 has been granted by way of subsidies for a ten year period.

Mr. MACNICOL: In reference to the subsidies given to United States ships running from the United States to Oriental ports, are they allowed to man their crews with Orientals or are all the crews Americans?

Mr. FLINTOFT: The provision in the United States law, as I understand, is that 75 per cent must be American citizens.

Mr. HOWDEN: Two-thirds.

Mr. ISNOR: With a gradual increasing of that proportion each year.

Mr. FLINTOFT: I am not so sure as to that. The law calls for two-thirds. I did not remember that there was any provisions for a gradual increase.

Mr. MACNICOL: There may be foreign citizens in one service.

Mr. FLINTOFT: Yes. That two-thirds may comprise—

Mr. MACNICOL: American citizens of Oriental origin.

Mr. FLINTOFT: Yes. I understand that they do use a good many coloured men and a good many Philipinos on Trans-Pacific service.

Mr. MACINNIS: But the coloured men would most likely be American citizens.

Mr. FLINTOFT: Yes. They have, of course, a very large coloured population which is suited to jobs in the victualling departments of the ships.

Mr. MACINNIS: That two-thirds or seventy-five per cent or whatever it may be would not include the coloured American citizens?

Mr. FLINTOFT: Oh, no. And in connection with the British subjects, while the law provides that British subjects shall be employed, it was very clearly pointed out that this included Britishers of all denominations and colours; that it was open to any British subject to seek employment on the ships that were aided under this law.

The CHAIRMAN: With reference to the paragraph on page 3 headed "United States" and reading in part: ". . . for operation on lines deemed necessary or desirable, up to three-quarters of the cost of construction," does that mean three-quarters of the cost of construction of ships in operation on those lines?

Mr. FLINTOFT: Yes; they have that provision, and of course they have had a lot of discussion at Washington recently about it; but they do advance money up to three-quarters of the cost of construction of these ships engaged in foreign trade.

The CHAIRMAN: The service they deem necessary or desirable?

Mr. FLINTOFT: Yes. And you will remember that under the new legislation which has been under discussion at this present session of Congress they are providing for what they call on equalization subsidy, a subsidy equal to the