

of the contract, in such cases as may from time to time be approved by the Minister. These are chartered ships, and the contractors have no control over their crews.

Q. This is one of the people that get this exception, one of the six people, and one of the cases where that clause does not apply. You mentioned before that there were six exceptions?—A. Yes.

Q. I notice that there are six exceptions which cover all the cases?—A. Yes, this is one.

Q. They cover the whole of the cases where such a clause might be of use?—A. Yes.

Mr. NEILL: It applies very gallantly to places where there is not any question, such as between Halifax and Liverpool. But where it is needed, and it is on the Pacific coast, it comes under the exemption. In other words, the whole thing is a joke.

By Mr. MacNicol:

Q. What is the stipulation in this contract in regard to the colour of the crews?—A. The total number of officers and engineers employed shall be British subjects.

Mr. NEILL: But there is an exemption.

Mr. MACINNIS: With the written consent of the minister.

WITNESS: The way that works is this: Nearly all the ships they employ are British. Last year they made 22 sailings and they were all British ships except about three, which were probably Scandinavian ships, and which they employed because there were no British ships in position. Those British ships had British officers and engineers. The Scandinavian ships, I presume, had Scandinavian officers and engineers.

By the Chairman:

Q. How long has this subsidy of \$118,800 been paid to this line?—A. Since 1932.

Q. What was the subsidy before that? Have you got that information?—A. The subsidy before that was higher. It was \$7,700 a trip as against \$4,950 a trip which we pay now; and the \$7,700 a trip was also paid to chartered ships. So that we are getting a cheaper service and a service that is just as good as it was before, as far as carriage of our goods to overseas markets is concerned.

The contract requires 12 sailings per year, with additional sailings if sufficient cargo is offering, and in practice it has been found that this service averages nearly two sailings per month. In the calendar year 1935, 22 sailings were made, carrying ninety-six million feet of lumber and 3,754 tons of general cargo.

By Mr. Neill:

Q. Is the subsidy so much a trip?—A. Yes. It is \$4,950 a trip.

Q. Well, that is reasonable.—A. Yes, it is a low subsidy.

Ships are chartered for this service for the single voyage across from British Columbia to China, except in a few special cases where a round trip has been made to accommodate cargo offering from North China ports to British Columbia. At the present time these are all chartered ships.

Q. Those will all be tramp vessels?—A. Yes.

Q. What tonnage would they run?—A. They run up to about 8,000 tons, and carry about 4½ million feet of lumber.

Q. Where do they go after that?—A. After their charter is up?

Q. Yes, when they get to China?—A. When they get to China they are on the market again for further charter. They will go wherever anybody requires their services.

[Mr. F. E. Bawden.]