

*By Mr. Neill:*

Q. That is the service going to China. You propose to maintain the subsidy going to China and cut out the subsidy to Australia?—A. There were just a few odd trips to Australia. It was thought that if the full amount of the subsidy was not used to China, there would be a certain amount available for trips to Australia. The department does not think it is necessary to subsidize boats to Australia at present.

Q. What company is running to Australia now?—A. The company that made these subsidized trips was the North Pacific Shipping Company.

Q. Are they still running?—A. I have no information; they are not running on their contract. They may be making trips, but they are not making subsidized trips.

Q. What led the department to think there was sufficient service without subsidizing it?—A. The information they received from Vancouver to the effect that there were a number of lines which were capable of handling the business.

Q. Have you a record of the individual lines there; what are the lines?—A. The lines running to Australia?

Q. Yes.—A. The Canadian-Australian Line, the Transatlantic Company, several American companies. I have not a list of them here. Altogether there must be seven or eight lines, and as I say, a new line was put on a few days ago.

Mr. MacINNS: That would indicate good business.

*By Mr. Neill:*

Q. You say that line was going to China?—A. Another new line was added to Australia a few days ago called the Australian Direct Line, I believe.

*By Mr. MacInnis:*

Q. That would indicate that business between Vancouver and the Australian ports was fairly good?—A. It is very good, as far as lumber is concerned. These ships carry mostly lumber. I suppose we get 85 per cent or more of the Australian trade in lumber. It will be seen from the statement referred to that the subsidized coastal lines in eastern Canada employ Canadian citizens almost entirely and there appear to be only two exceptions. There are only two employees on the eastern coastal lines that are not Canadian citizens, as far as our information goes. It does not appear to be necessary therefore, to pay further attention to those services at the present time.

*By Mr. Isnor:*

Q. That is in so far as the coastal employees are concerned?—A. Yes. I shall deal with the ocean service afterwards.

*By Mr. MacKenzie:*

Q. May I interrupt there? Under the heading of Canada and South African Service, I notice that there are 74 West Africans. Are they coloured?—A. Yes. I shall be coming to that a little later on. Contracts for all coasting services provide for the employment of British subjects to the extent of two-thirds of the total crews, and the clause in these contracts making provision for this reads as follows:—

*British Subjects:* It is further understood and agreed by the contractors that two-thirds of the total number of officers, engineers, stewards, crew, or other employees whatsoever upon the steamships engaged in the performance of the service herein contracted for, shall be British subjects, but the non-observance of this clause shall not constitute a violation of this contract in such individual cases as may from time to time be approved by the minister in writing.

[Mr. F. E. Bawden.]