

second highest wage scale. Why is it that Japan requires such a large subsidy for her ships to compete with the American lines who are paying the second highest scale of wages. Have you any information on that?—A. I have not got any information as to that. I know they are operating a high type of vessel to compete alongside of the American passenger ship which is heavily subsidized.

Q. Have you got a copy of the agreement which the Canadian government have with the steamship companies?—A. No, I have not.

Q. Well, I have. Now, if you will turn to page 8 and to part 2, you will see that there you make no reference to the employment under contract of any seamen. Let us take number one, British Columbia and China service, subsidy \$118,800. The information I have—and I have a copy of the contract with me—one clause provides that the officers and engineers must be British. You make the statement in your brief that the contract requires that vessels of British registry only shall be employed?—A. Of course, you cannot operate a British vessel without having British officers; you must have your master, your chief engineer, etc.

Q. I am drawing the attention of the committee to the fact that in this connection, that Mr. Clendenning made the statement, in respect to the various subsidies, that no stipulation is made with regard to crews. I am just drawing to the attention of the committee that this is wrong.

Mr. NEIL: Hear, hear.

Mr. REID: It is absolutely wrong. I could give you one of the contracts here. The whole thing needs re-checking.

WITNESS: When we deal with a British ship we take the vessels without question and accept the crew without question; and I take it that that is the way the government would accept under the contract, that is all they would be asked to do.

*By Mr. Reid:*

Q. In short, that provides only for British officers and engineers. Then the Vancouver-British West Indies subsidy is \$33,000. Two-thirds of the crew will be British?—A. Two-thirds of the crew will be British, I think.

Q. That is what it was; that is the information given by Mr. Bawden here to the committee last year?—A. This statement in regard to the Vancouver-British West Indies service was passed upon by the manager of the line which has the subsidy.

Q. Have you any information you can give to the committee with regard to the Silver-Java line; as to the nationality of the vessels they charter?—A. There subsidized service is operated by their own vessels, of either Dutch or British registry; that is, their subsidized service to South Africa.

Q. Have you any data or figures you can give to the committee regarding freights charged by other lines such as the American lines or the Japanese lines in comparison with this subsidized line?—A. No; but I can say generally that the rates are about the same. There would be very little difference I should say.

*By Mr. MacNicol:*

Q. Mr. Clendenning, the Silver-Java line is part British and part Javanese is it not?—A. Yes, that is the service.

Q. Have you any information to show with respect to the ships in this service how many are British and how many Dutch?—A. Their service calls for a monthly sailing, and I would say it was pretty much on a fifty-fifty basis. One month it would be the British line and the next it would be the Dutch. It is an alternated service.

Q. Mr. Reid has pointed out with respect to these subsidized Japanese