

By Mr. Neill:

Q. What is the frequency of this china service?—A. It is a freight service and averages only about two trips a month, although there may be three trips in one month and one in another, according to the amount of cargo offering.

Q. Here is a point I do not like. Perhaps it is just my ignorance. Here is a contractor who charters vessels. In other words, a man on the street may get a contract from the government and go out and charter vessels?—A. When they first tendered for this service and received the contract, they owner two ships.

Q. What were they?—A. The *City of Victoria* and the *City of Vancouver*.

Q. You would not call them ships?—A. One of those ships has been lost in the sea of Japan, I believe, and the other one is now running to Australia, not employed on subsidized service any more; but we have found that services that are performed by chartered ships are quite satisfactory to the shippers.

Q. These people have really no ships of their own?—A. They are not employing any of their ships on the subsidized service.

Q. It does not seem just satisfactory to me to give a contract to somebody who does not own any equipment, but a man who goes out and sublets?—A. They owned those two ships when they started.

Q. That is quite a while ago?—A. Yes.

Q. The *Victoria* has been out of business long ago?—A. The *City of Victoria* was wrecked, I think last year.

Q. She has been out of this service—

Mr. MacNICOL: Do you mean that the ships engaging in the shipping interests are not owned by the contractors?

Mr. NEILL: Yes; and they have a contract with the government amounting to \$118,000 a year.

WITNESS: They operate a service by means of chartered vessels.

By Mr. Howden:

Q. If they perform the service, what difference does it make?—A. As long as the service is performed, it does not make any difference to us whether they own the ships or not. If they do not do the work they do not get any pay.

By Mr. MacInnis:

Q. In connection with this company, do you get a financial report?—A. Yes.

By Mr. Neill:

Q. That is the way they get out from under. They say, "We charter our boats; we cannot govern the crew." If they owned the boats it would be different. That is the crux of the whole situation. They get out from under by saying, "We charter all our boats."—A. Except that they could not very well own a large enough number of ships to enable them to perform the services. They have to make two sailings a month, and I should say they would need a fleet of about eight ships anyway. There are practically no Canadian steamship companies that own ocean going freighters outside the Canadian Government Merchant Marine and the C.P.R.

Q. I beg your pardon?—A. There are no Canadian companies that own large ocean going freighters outside the Canadian Government Merchant Marine.

Q. What about the Canada and the South Africa— —A. That is on the Atlantic, and is a freight line.

British Columbia and North China: The contract for this service provides that the total number of officers and engineers employed shall be British subjects, but that the non-observance of this clause shall not constitute a violation