

to co-operate with British shipping in supplying the necessities of war, as well as to provide in times of peace the means of carrying abroad the products of Canada's farms, forests, mines and factories, without which Canada could not hope to take full advantage of the opportunity of expanding her export trade. Prior to Dec. 31, 1919, 19 vessels had been delivered by the builders. Additions were made to the fleet in following years until the total fleet, as at Dec. 31, 1924, numbered 57 vessels of a total deadweight tonnage of 353,450. Through sale or loss of vessels the fleet was reduced to 46 vessels with a deadweight tonnage of 312,090 at Dec. 31, 1926. With regard to ownership and operation, a separate company was organized for each vessel, and the capital stock of each is owned by the Canadian Government Merchant Marine, Limited. Under an operating agreement with each of these companies, the Canadian Government Merchant Marine, Limited, operates all the steamers and keeps a separate account for each company. Promissory notes have been given to the Minister of Finance and Receiver-General for the total capital stock of each vessel, with interest payable at 5½ p.c. per annum.

Early operations proved profitable, and a surplus of \$1,004,233 (without provision for interest charges) was shown for the year ended Dec. 31, 1920. Subsequent years, however, have shown the effects of the depression in the shipping industry, and annual deficits of \$8,047,635, \$9,649,479, \$9,368,670, \$8,836,609, \$7,667,513 and \$6,687,221 are shown for 1921, 1922, 1923, 1924, 1925 and 1926 respectively.

These deficits, however, are now mainly due to high capital charges, as operating expenses and operating revenue have been brought nearly to a balance. In the calendar year 1926, the operating loss was only \$90,160, as compared with \$948,053 in 1925 and \$1,440,880 in 1924. Total revenue in 1926 was \$10,989,437, and total operating expenses \$11,079,597. Operating expenses in 1926 were unduly increased in consequence of the British coal strike, and the consequent necessity that vessels trading with Great Britain should carry from Canada sufficient coal for the round trip, thereby reducing their cargo space.

During 1926 a total of 242 voyages was made, the majority being to the United Kingdom and the European Continent, the West Indies, Newfoundland, Australia and California. Officers of the company outside of Canada are located in London, in the West Indies, in Australia, in New Zealand and in Newfoundland, while agencies give the company representation in all the principal shipping centres of the world.

X.—TELEGRAPHS.

The Toronto, Hamilton and Niagara Electro-Magnetic Telegraph Co., organized by a group of Toronto men, was the first to establish an electric telegraph service in the pre-Confederation province of Canada. It was formally organized on Oct. 22, 1846, and its Toronto-Hamilton line was opened on Dec. 19 of the same year. In January, 1847, the line was completed to Queenston, whence there was a connecting line to Buffalo. The Montreal Telegraph Co. commenced the construction of a line to Toronto in February, 1847, and began actual operation between the two cities on Aug. 3 of the same year. By the end of the year it had 540 miles of wire in use, 9 offices, 35 employees, and had sent out 33,000 messages. Both the Montreal and the Toronto companies were incorporated by special Acts at the 1847 session of the Legislature. In 1852 the Toronto, Hamilton and Niagara Co. sold out to the Montreal company.

The British North American Electrical Association was also formed in 1847, with the object of connecting Quebec with the Maritime Provinces, but for some years its line went no farther than Rivière du Loup, though it was finally extended