

prised 10 vessels with a deadweight tonnage of 88,579, representing a capital investment of \$18,168,023. In addition to the capital outlay, the Government has advanced \$10,280,175 for working capital, etc., which is still outstanding also. Operating income results from the date of the inception of these services have been as follows, exclusive of interest and depreciation on the original high cost of the vessels. Operating deficits are indicated by a minus sign:—

Calendar Year.	Operating Results.	Calendar Year.	Operating Results.
	\$		\$
1919.....	1,056,767	1927.....	-720,735
1920.....	1,263,307	1928.....	-1,209,083
1921.....	-2,325,906	1929.....	-878,907
1922.....	-2,470,089	1930.....	-834,210
1923.....	-1,873,695	1931.....	-444,285
1924.....	-1,450,887	1932.....	-326,613
1925.....	-926,844	1933.....	-17,938
1926.....	-90,159	1934.....	-127,265

The net cash deficit, 1921-34 inclusive, amounted to \$12,473,479, depreciation accruals \$9,925,939, and interest due the government and unpaid \$20,234,435. Against this total of \$42,633,853, there is applicable an insurance reserve of \$3,000,000 to reduce loans from the Dominion of Canada. Taking this into account, the total book deficit of the Canadian Government Merchant Marine, at Dec. 31, 1934, was \$39,633,853.\*

**Canadian National (West Indies) Steamships.**—In conformity with the Canada-West Indies Trade Agreement Act of 1926 (16-17 Geo. V, c. 16), the Dominion Government has provided direct steamship services to the West Indies through the medium of Canadian National (West Indies) Steamships, Ltd. The service is provided by a fleet of eleven vessels of a total deadweight tonnage of 63,426. Five of these boats, known as the "Lady" ships, were specially constructed for passenger service on this route, while the remaining six vessels previously formed part of the Canadian Government Merchant Marine fleet, and were taken over by the Canadian National (West Indies) Steamships, Ltd., for operating purposes, under entrusting agreements with the respective companies which owned the ships. The investment in vessels at Dec. 31, 1934, amounted to \$10,760,850, mainly made up of the construction cost of the "Lady" ships and the present-day valuation of the other six ships, together with the cost of conversion for use in the West Indies service of three of the latter. The financial results of the operations of the Canadian National (West Indies) Steamships, Ltd., have been as follows:—

Calendar Year	Operating Revenues.	Operating Expenses.	Net Operating Loss.	Depreciation.	Interest.	Book Loss.
	\$	\$	\$	\$	\$	\$
1929.....	3,332,683	3,780,524	447,841	227,315	442,739	1,117,895
1930.....	3,792,694	4,315,831	523,137	288,999	550,519	1,362,655
1931.....	3,648,986	4,095,555	446,569	294,141	604,651	1,345,361
1932.....	3,323,077	3,606,793	283,716	321,261	688,037	1,293,014
1933.....	2,956,974	3,454,972	497,998	319,967	726,108	1,544,073
1934.....	3,509,733	3,606,416	96,678	319,967	762,033	1,178,678

\* Since the above material was prepared, the Government has issued a statement to the effect that the ten vessels of the Canadian Government Merchant Marine have been disposed of to British interests (April 25, 1936).