

### Merchant Marine Services Operated by the Canadian Government.

**Canadian Government Merchant Marine.**—The circumstances under which the Canadian Government became possessed of and responsible for the operations of a merchant marine are explained on p. 776 of the 1934-35 Year Book.

This merchant fleet reached its greatest development in 1924 and at Dec. 31 of that year numbered 57 vessels of a total deadweight tonnage of 353,450, representing an original capital investment of \$79,661,921. At Dec. 31, 1935, the fleet comprised 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 also advanced \$10,280,175 for working capital, etc. 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	1928.....	-1,209,083
1920.....	1,263,307	1929.....	-878,907
1921.....	-2,325,906	1930.....	-834,210
1922.....	-2,470,039	1931.....	-444,285
1923.....	-1,873,695	1932.....	-326,613
1924.....	-1,450,887	1933.....	-17,938
1925.....	-926,844	1934.....	-127,265
1926.....	-90,159	1935.....	311,822
1927.....	-720,735	1936.....	303,505 <sup>1</sup>

<sup>1</sup> Part year only, as the fleet was disposed of under agreement of June 8, 1936.

The net cash deficit, 1921-36, inclusive, amounted to \$11,858,152, and interest due the government and unpaid \$8,426,637. The total book deficit of the Canadian Government Merchant Marine, at Dec. 31, 1936, was \$16,525,724.

By authority of Order in Council P.C. 1026, April 27, 1936, the 10 vessels comprising the Canadian Government Merchant Marine were, in virtue of an agreement dated June 8, 1936, disposed of to British shipping interests comprising the Ellerman and Bucknall Steamship Co., Limited, the Commonwealth and Dominion Line, Limited, and the New Zealand Shipping Co., Limited, the intention being to retire these vessels, which were nearing the end of their usefulness, and to provide faster and more suitable boats for the Australian service. The purchasing companies agreed to provide the service for a period of at least five years without government subsidy, and to take over the staff and crews, afloat and ashore. The sale was recommended by the Board of Directors of the Canadian Government Merchant Marine and the consideration was \$419,926.

**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.