

ion 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 62,761. Five of these craft, 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 that owned the ships. The investment in vessels at Dec. 31, 1937, amounted to \$10,954,693, 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.	Operating Net.	Depreciation.	Interest.	Book Loss.
	\$	\$	\$	\$	\$	\$
1929.....	3,332,683	3,790,524	-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	-283,715	321,261	688,037	1,293,014
1933.....	2,956,974	3,454,972	-497,998	319,967	726,108	1,544,073
1934.....	3,509,738	3,603,416	- 95,678	319,967	762,033	1,178,678
1935.....	3,816,246	3,616,215	+200,031	325,513	788,814	917,390
1936.....	4,322,593	3,765,194	+557,399	328,235	800,282	574,213
1937.....	4,676,684	4,018,146	+658,538	328,287	808,432	481,275

### Section 3.—Water Traffic and Services.

Complete statistics, comparable to those given for the railways, showing all the freight carried by water, are not available. Indeed it would be very difficult to obtain a record of the traffic handled by small independent coasting vessels. However, there is a record of the number and tonnage of ships calling at all ports and of all the cargoes which pass through the canals.

#### Subsection 1.—Shipping.

Canadian shipping may be divided into three classes: (1) ocean or sea-going shipping; (2) inland or rivers and lakes international shipping (exclusive of ferriage); and (3) coasting trade or coastwise shipping. Ocean shipping covers the sea-going vessels arriving or departing from Atlantic and Pacific Coast ports, including St. Lawrence River ports up to Montreal. Inland international shipping is the term used to cover shipping between Canadian and United States ports on the Great Lakes and international rivers, and on lakes and rivers accessible to shipping from United States ports such as the Ottawa, Rideau, Trent, etc. (Ferriage is, however, excluded from this and other classes of shipping.) Coastwise shipping or the coasting trade covers shipping between one Canadian port and another on the Atlantic coast, on the Pacific coast, and on the inland international lakes and rivers or lakes and rivers accessible to them. It does not, however, include shipping on isolated Canadian waterways, such as the Mackenzie river, lake Winnipeg, lake St. John, etc.

**Ocean Shipping.**—Canadian ocean shipping dates back to the days of early European fishermen who frequented the shores of Newfoundland and the Maritime Provinces. Later on, exploration and settlement produced a larger volume of traffic.