

Mr. JACKMAN: I have not had time to examine the account thoroughly to see if it in any way enters into the operating accounts.

Mr. COOPER: The *Lady Hawkins* was not lost until 1942. Its loss has no place whatever in the 1941 accounts. There is a reference to it, however, in the report of the directors as a matter of information only.

Mr. JACKMAN: On the *Lady Somers*, what is the contention with regard to the loss, or claim against the government?

Mr. VAUGHAN: We have made a claim for what we think is a fair valuation of the boat. What we are asking for is that we be settled with on the same basis as the Imperial government is settling with other steamship owners who have lost boats under the same conditions. If we can do that it ought to give us something in the neighbourhood of \$2,000,000.

Mr. ROSS: Was the *Lady Somers* requisitioned by the Canadian or British government?

Mr. VAUGHAN: By the Canadian government for the use of the Imperial government. She has been in the service of the British government, not in the service of the Canadian government.

Mr. JACKMAN: In the president's report he mentioned:—

The cash surplus for the year, *i.e.*, the amount by which operating revenues exceeded operating expenses and bond interest, was \$1,205,656.97, which will be paid to the government as interest on advances (current and arrears). The corresponding figure in 1940 was \$666,101.57.

How much of that will go to current interest and how much to arrears?

Mr. COOPER: That is shown on page 9, Mr. Jackman; the interest charged to income during the year 1941 was \$346,000—that is current interest. The remainder is arrears.

Mr. JACKMAN: You have paid about \$320,000 of arrears?

Mr. COOPER: We paid considerably more than that.

Mr. JACKMAN: Yes, I was looking at the 1940 book.

Mr. HANSON: What kind of freight is being brought up from there now, do you still bring bananas and things of that kind?

Mr. VAUGHAN: Substantial quantities of bananas from certain of the islands like Jamaica; molasses and the usual commodities produced in the West Indies.

The CHAIRMAN: Well, gentlemen, if we were to continue with page 8 and look at these figures we might get some of this information that is now being asked for in a general way.

Mr. JACKMAN: May I just put one question first: mention was made that you were carrying more war risk insurance; is that a change in policy since last year?

Mr. VAUGHAN: We have changed the policy to some extent since the hazard has become greater in that trade. I may say that they are under the British scheme of war risk insurance.

Mr. JACKMAN: And there is no concern because of any new type of risk either directly or indirectly connected with the war that the insurance reserve may not be adequate for the purposes of the company.

Mr. VAUGHAN: That was not the principal reason, although that was a factor; indeed, if we should lose this whole fleet we would not have enough money in the insurance reserve to replace them.

Mr. JACKMAN: The war risk insurance is the only thing that is a cause for concern and the occasion for placing the insurance outside of the company. This war risk insurance is the only type that you are placing outside?