

must take advantage of these cruise liners, which is a very nice way to go back. It is a question of whether it would be possible for the sake of continuity of business to increase the service at certain months of the year.

Hon. Mr. HOWE: I might say the service really needs two more boats; but there again we come up against the lack of funds. We do not feel that the position is such that we can ask for the money this year.

Mr. KINLEY: And the boats should be about two or three knots faster. The boats are beautiful boats and very comfortable, but they are too slow.

Hon. Mr. HOWE: They are ideal boats for that service, I believe.

Mr. BOTHWELL: How many boats are there?

Mr. VAUGHAN: Just five Lady boats, eleven in the service altogether. There are five Lady boats and two are what are known as "vagabond cruisers." I may say that we have asked for authority to provide more accommodation on the Lady boats.

Mr. KINLEY: You have provided for that.

Mr. VAUGHAN: We have provided for 32 additional passengers. We propose to turn sixteen second-class rooms into first-class room.

Mr. KINLEY: There is a lot of room in some of these boats that seems to be wasted. They have very big staterooms. The western run is the best run is it not?

Mr. VAUGHAN: The eastern run is the most profitable.

Mr. KINLEY: The one to Trinidad?

Mr. VAUGHAN: Yes.

Mr. KINLEY: I thought the one to Jamaica carried the most passengers but the other one carried the most freight—the Nassau and Jamaica carries the most passengers.

Mr. VAUGHAN: The net result is here. The net result of the eastern service was \$267,000; the western service, \$63,000.

Mr. KINLEY: That is due to the freight. The passenger service is heavy on the other run, I believe.

The ACTING CHAIRMAN: Are there any further questions on the steamships?

Mr. KINLEY: There is this about it. I notice the directorate is an interlocking one between the three companies. I can quite see we could have one interlocking directorate, which would be a good idea as between the railroads and the boats, which are two persons in law. But when one man directs the two operations there might be a question of freight rates and the division of proportioning the freight to the boat and to the railways. It might be wise to have one directorate for each of these companies with an independent mind, not the mind of the railroad. I do not think the primary mind of the railroad should dominate the whole situation. In these directorates you have all the men who are directors of the railroad, have we not, interlocking?

Mr. HUNGERFORD: Correct.

Mr. KINLEY: I just put that out as a suggestion.

The ACTING CHAIRMAN: If there are no further questions to ask about that section, we shall pass on to the next page, profit and loss account. This seems to be the first cash surplus we have ever had paid to the government in this regard. It is very satisfactory to note this great improvement. Are there any questions?

Mr. RYAN: What page?

The ACTING CHAIRMAN: Page 16.

Mr. VIEN: Carried.

The ACTING CHAIRMAN: No comment on that. We now come to income account on page 17.

Mr. RYAN: In connection with this income account I should like to ask where the purchases are made for these steamships.