

<i>Operating Ratio</i>	<i>74.43%</i>	<i>79.04%</i>
Operating Profit.....	\$1,727,356 97	\$1,205,034 91
Interest on Bonds held by Public.....	470,000 00	470,000 00
Exchange on U.S. Funds.....	51,700 00	68,933 34
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	\$1,205,656 97	\$ 666,101 57
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OTHER CHARGES:		
Amortization of Discount.....	\$ 3,094 44	\$ 3,094 44
Interest due Government.....	346,701 38	346,661 24
Depreciation on Vessels.....	262,645 32	329,079 87
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Surplus .....	\$ 593,215 83	\$ 12,733 98
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Mr. HAZEN: Why is the depreciation down this year?

Mr. COOPER: Due to the fact the *Lady Somers* was lost, and depreciation discontinued.

Mr. HAZEN: The item, net operating revenue—passenger; does that include revenue received from carrying troops?

Mr. VAUGHAN: Yes, that would include all passenger revenue.

Mr. JACKMAN: Is a certain amount of tourist business being done at the present time?

Mr. VAUGHAN: There is very little tourist business in recent months. People are not taking ocean trips now unless they have to. We have been moving troops and people from the United States going to the islands of Trinidad and other naval bases.

Mr. HAZEN: I notice advertising is still rather high; what is the explanation of that when there are not so many tourists?

Mr. VAUGHAN: There may have been a carry-over there; I am not sure, but it is a very small amount. We are doing practically no advertising, except a little newspaper advertising so that people may know that the boats are sailing on or about certain dates.

Mr. HAZEN: I notice that management and office salaries are increased somewhat?

Mr. VAUGHAN: You are speaking about dollars and cents—that is largely because of the cost of living bonus.

Mr. HAZEN: Is that 15 per cent in this instance also?

Mr. VAUGHAN: No, it would hardly be that. It is not worked out on exactly the same basis. We have had to readjust our wages all around to meet certain scales being paid by other people, so we may have a different scale of wages for different trades.

Mr. JACKMAN: What has been the course of ocean freight rates?

Mr. VAUGHAN: It has been up, very substantially. Expenses have increased very materially on account of war risk, the cost of coal and oil, and other expenses.

Mr. HAZEN: The wages of the seamen have gone up?

Mr. COOPER: Yes, their wages are up.

Mr. HAZEN: Where are they in the statement?

Mr. COOPER: In the first item there under operating expenses—expenses of closed voyages.

Mr. HAZEN: About what percentage has the wages of the seamen increased?

Mr. COOPER: I think they were increased 25 per cent in 1939.

Mr. VAUGHAN: I think about 25 per cent. We had to give certain bonuses, and we have had to follow the British Maritime Wage Scale where our ships are serving in the same trade.