

Mr. HACKETT: Should you not have added to that loss the deficit of two and a half millions on the Canada West Indies Steamship line?

Mr. CANTLEY: That is a different service altogether.

Mr. HACKETT: I understand it is a different seervice. We are dealing, as I understand it, with whether or not the government should continue in Maritime transportation.

Mr. CANTLEY: No, that is not the question.

Mr. HANSON: That is not the point.

Sir HENRY THORNTON: We are discussing now what is known as the Canadian Government Merchant Marine, which excludes the West Indies service. That is a service which came into being as a result of a treaty that was executed between the government of Canada and the British West Indies themselves.

The CHAIRMAN: To get rid of Mr. Hackett, and in reference to Mr. Hackett's remark, I would say this, that we can discuss as a committee without reference to the officers of the railroad, any matter of policy, or anything of that kind between ourselves. What we want to do here is to get out the facts.

Mr. HANSON: I would like to ask a further question. In regard to the profit and loss deficit of something over \$57,000,000 shown on page 7, is it not true that that does not tell the whole story of the losses; that in addition to that as you sold the ships you wrote off, and properly so, I am not criticizing what has been done—you wrote off the complete loss of the ship, the difference between what it cost and what you got for the ship, and that does not appear in this statement.

Sir HENRY THORNTON: What is the answer to that, Mr. McLaren?

Mr. McLAREN: In reply to Mr. Hanson, I would put it this way, the profit and loss of \$57,640,000 odd, is mostly made up of depreciation of \$17,700,000 odd and interest due the government on \$28,400,000 odd. When a ship is sold the practice is to cancel the notes that are outstanding for the ship, it reduces that account, and reduces our investment account as well as adjusting the depreciation and the interest account.

Mr. HANSON: Seventeen millions, twenty-eight millions, and fifty-seven millions make one hundred and two million dollars, so that the losses to date so far as it has gone has been \$112,000,000.

Mr. McLAREN: No.

The CHAIRMAN: No.

Mr. McLAREN: About \$11,000,000.

The CHAIRMAN: It does not mean that at all. The difference between that and the \$57,000,000 leaves the actual loss in operation, besides interest and depreciation.

Hon. Mr. EULER: What figure are you carrying the boats under?

Mr. McLAREN: The boats now are carried at \$45,500,000 odd.

Hon. Mr. EULER: Is that at cost less depreciation written off?

Mr. McLAREN: No, that is the cost from the government.

Hon. Dr. MANION: From the government, the original cost was about \$80,000,000 or \$90,000,000.

Mr. McLAREN: The original cost is \$45,000,000 as of the remaining ships.

Hon. Mr. EULER: That is the cost of these boats in the first place.

Mr. McLAREN: Yes.

Hon. Mr. EULER: Less depreciation?

Mr. McLAREN: No, not less depreciation. Depreciation is carried on the liability side.