

Mr. RYAN: I think everything was done to maintain employment when these boats were sold.

Mr. VAUGHAN: We got the new company to take over as many men as they could, and they did take over a lot of men.

Mr. KINLEY: You must realize that when a shipmaster loses his ship he must go to the foot of the line on another ship; they are not going to put their men out to put him in; he is practically out of a job for good because promotion and service are always taken into consideration by every company.

Mr. VAUGHAN: I know he is placed in a difficult position.

Mr. KINLEY: He is placed in a very difficult position.

Hon. Mr. STEWART: The new company took over the same ships.

Mr. RYAN: The railway should be commended for trying to keep the men employed.

Mr. KINLEY: They did not keep them on.

Mr. RYAN: Yes they did—quite a few of them.

Mr. VAUGHAN: They took over a lot of them.

Mr. KINLEY: Just a few.

The ACTING CHAIRMAN: Shall we pass from the general statement to the balance sheet?

Mr. KINLEY: You sold a ship for a certain amount of money, and she appeared in your statement at a certain amount of money when you sold her; how did you look after the shrink?

Mr. McLAREN: The amount of money received from the sale of the ship was paid over to the government and they returned the notes we had given for the original cost of the ship, and that enabled us to write the original cost out of our investment account and out of our liability account.

Mr. KINLEY: It did not affect operating and depreciation.

Mr. McLAREN: No. Depreciation was cancelled and so was the interest.

Mr. HEAPS: Have you the interest charges here so we can see the actual picture?

Mr. ARMSTRONG: You will find that on page 9.

The ACTING CHAIRMAN: We will come to page 9 in due course. Is there anything further you desire to ask in connection with the balance sheet itself?

Mr. HEAPS: I am trying to get a real picture of the situation as regards the year's operation. I notice on page 9 that interest due is \$558,068.76, and that would, of course, have to be offset against the operating cost?

Mr. McLAREN: It was transferred to profit and loss. On page 7 you will find in the liabilities the item Interest Accrued Unpaid \$8,426,637.44.

Mr. KINLEY: I see in the liabilities the item "Three Directors' Shares \$100." I notice you have three directors who are interlocked. Do they get pay from each company?

Mr. McLAREN: No.

Mr. KINLEY: They receive no pay from the Canadian Government Merchant Marine; they get it all from the parent company.

Mr. McLAREN: Yes.

Mr. KINLEY: That is true of all three, is it?

Mr. McLAREN: No directors' fees are paid.

Mr. KINLEY: Either by this company or by the West Indies Company?

Mr. McLAREN: No.