

Mr. DAVIDSON: \$293,800.

Sir EUGENE FISET: That is due to the sale of some ships.

Sir HENRY THORNTON: Yes. There were a less number of ships on which to apply the depreciation.

Mr. HEAPS: Was that taken on the original cost of the fleet?

Sir HENRY THORNTON: Yes.

Mr. HEAPS: That will be for twenty years.

Sir HENRY THORNTON: Four per cent for ten years would be forty per cent.

Mr. HEAPS: Figuring on the present day value? Taking the depreciation on the original cost, would that show the value?

Sir HENRY THORNTON: I do not know. That may be right. Mr. Heaps asks if the present depreciation, applied on the cost of the ships, would not, on the basis of present day reproduction cost, indicate the cost of the ships in the ten years. It would be very close.

Hon. Mr. DUNNING: On that item of \$1,818,339, interest cancelled on notes due the Dominion government. That is taken off year by year. The Dominion has absorbed that.

Mr. HEAPS: What was the total amount put aside for depreciation last year?

Sir HENRY THORNTON: \$2,635,762.52.

Mr. HEAPS: I am just wondering how many years has that rate been used.

Sir HENRY THORNTON: How long have we been applying this four per cent?

Mr. TEAKLE: Since 1920, it was increased in 1920.

Mr. Boys: I did not quite understand what you meant by that Mr. Dunning, interest absorbed by the government.

Hon. Mr. DUNNING: I meant that when a vessel is sold, there is interest due to the government with respect to the vessel, which has been unpaid, the same as any other interest that is cancelled; and from the commencement of the operation of the Merchant Marine. That \$1,818,000 represents the total cancellation with interest, due to the government, from the Merchant Marine.

Mr. Boys: From sales?

Hon. Mr. DUNNING: No, the cancellations of interest only; of interest due or overdue at the time the vessel was sold. There was no object in maintaining the item in your books with respect to a ship that was already gone. Apparently the government decided that the best thing to do was to write that off as far as the Merchant Marine was concerned; there is no use in allowing it to pile up with respect to vessels already sold. It shows here very clearly.

Mr. BELL: Take it in another way; take the "Navigator." That boat cost say \$1,000,000 and the interest was accumulated to \$227,000, and they sold the "Navigator" for \$100,000. Then the \$100,000 went to the Finance Department and the notes for \$1,170,000 were written off against the Dominion account.

Hon. Mr. DUNNING: They were cancelled.

Mr. BELL: Yes.

Mr. BELL (St. Antoine): Did you say the depreciation was the same as last year?

Sir HENRY THORNTON: The same rate, but there were fewer ships on which to apply the depreciation. The percentage rate is the same, but the amount is different.

Mr. ROBICHAUD: Is there any mention of the value that was received for those vessels that were sold?

Mr. BELL: Yes, the price should appear some place.

Mr. POWER: That was asked for at the first meeting, and I think Mr. Teakle could give us a statement of it.

Mr. ROBICHAUD: I do not see anything here.