

The CHAIRMAN: Total expenses, \$10,822,755.40, leaving an operating loss of \$948,053.34.

To which add:

|  |                |
|--|----------------|
| Interest accrued for year 1925 on Notes, due |                |
| Dominion Government . . . . .                | \$3,616,027 80 |
| Interest on Government Advances . . . . .    | 498,603 44     |
|  | <hr/>          |
|  | \$4,114,631 24 |
| Depreciation . . . . .                       | 2,635,762 52   |

What basis do you figure "depreciation" on?

Mr. TEAKLE: Four per cent, sir.

The CHAIRMAN: Adjustment—

    Department of Marine and Fisheries Account .. \$78,383 91

What does that mean, Mr. Teakle?

Sir EUGENE FISET: Does depreciation include losses made on the vessels?

Mr. TEAKLE: No sir. Those are odds and ends that we straighten out with the Department, carried in "Suspense."

The CHAIRMAN: Those items total up . . . . . \$6,828,777 67

    Less: Reserves written back . . . . . 109,318 07

    Leaving a total loss of . . . . . \$7,667,512 94

Mr. JELLIFF: What is that item of "Reserves written back, \$109,318.07" mean?

Mr. DAVIDSON: Charging every item during the year that we could write back, that we did not require.

Mr. BOYS: What was the ratio of expenses in 1925 as compared with 1924?

Mr. TEAKLE: In 1925, it was 98.94, and in 1924 it was 103.08.

Mr. BOYS: Have you the other figures for the previous year? I think it would be interesting to get them.

Mr. TEAKLE: I have not got them here now, we just have the two years now.

Mr. BOYS: I do not want to delay the work of the Committee now, if it is going to take any time.

Sir EUGENE FISET: Could you repeat what you said a moment ago, Mr. Davidson?

Mr. DAVIDSON: I think I said that the amount of \$109,318.07 written back for reserves was intended to take care of outstanding claims, and as we came along towards the end of the year, we found that we did not require them, so we wrote them back.

The CHAIRMAN: The total therefore of fixed charges, I suppose you might say, and depreciation, is \$6,719,459.60; making a total for the year of \$7,667,512.94.

Sir EUGENE FISET: Charging depreciation on the standard ratio?

Mr. TEAKLE: Yes.

Mr. JELLIFF: What was the total loss last year?

Sir HENRY THORNTON: Do you want the operating loss?

The CHAIRMAN: The figures of the total loss?

Sir HENRY THORNTON: \$8,836,609.37.

The CHAIRMAN: About \$1,200,000 better than last year.

Mr. BOYS: What is the difference in your depreciation in the two years?

Sir HENRY THORNTON: The same depreciation.

Mr. BELL: It will be less this year.

The CHAIRMAN: It will be less because you sold some vessels.

Mr. JELLIFF: I have it last year as \$2,929,584.86.

Sir HENRY THORNTON: That is right.

Mr. JELLIFF: This year it is \$2,635,752. About \$300,000 difference.