

Hon. Mr. DUNNING: Provided that the general principle meets with approval.

Mr. GEARY: Oh, there is no doubt of that.

Mr. CANTLEY: Certainly that is right.

Mr. GEARY: The more you write it down, the more money you will make.

Hon. Mr. STEVENS: I think that construction could not be put upon it.

Sir HENRY THORNTON: I think that construction could hardly be put upon what Mr. Stevens said or I said. There is a very ample margin in the capital account to write these steamers down to a very fair value, and still be successful.

Hon. Mr. STEVENS: These steamers were constructed at from \$67.50 per ton up to \$100 per ton?

Mr. COOPER: More than that.

Hon. Mr. STEVENS: The lowest was for contracts at \$67.50.

Mr. WOOD: Oh, there were several that went up to considerably more than \$100 per ton.

Hon. Mr. STEVENS: And they are worth to-day to build from \$45 to \$50 per ton.

Mr. WOOD: New ships, I think, could be built around \$45 a ton.

Sir HENRY THORNTON: In connection with ocean rates, you have to understand, as you no doubt do, that there is no regular body which passes upon and fixes ocean freight rates.

Mr. HANSON: That is to enforce the rates, but I think it may be said that there is a body which does fix rates, with equal effect, practically,—the North Atlantic conference.

Sir HENRY THORNTON: And more than that, ocean freight rates are fixed by competitive conditions very largely.

Mr. HANSON: I wish they were.

Hon. Mr. STEVENS: And they would be fixed upon the cost of to-day largely, so that I think you might as well wipe out this terrible deadweight loss which you are having year by year, which is very much against you.

Mr. GEARY: Are you referring to writing off all the ships?

Hon. Mr. STEVENS: I am referring to the \$61,000,000 for ships, which are worth only about \$30,000,000.

Sir HENRY THORNTON: Mr. Stevens is referring to the present condition of the accounts, which was very peculiar.

Mr. CANTLEY: Why not face the situation and write them down to what the value should be.

Sir HENRY THORNTON: We have been carrying that burden both on the Canadian Government Merchant Marine and on the Canadian National Railways for six years, and it is discrediting and disheartening and puts the Canadian situation in a false position.

Mr. CANTLEY: Here there is nothing involved except the mere fact of writing the thing off.

Sir HENRY THORNTON: You and I do not differ one hair's breadth on that.

Mr. GEARY: What would happen to your balance sheet?

Mr. COOPER: We would write off the liability to the government.

Mr. GEARY: And that is carried now as an asset, is it not?

Hon. Mr. DUNNING: I cannot say as to that now, Mr. Geary. My impression is that the notes have been written off as ships have been sold.

Mr. COOPER: The entire Dominion investment is in the net debt, and is not carried as an active asset.