

written off as already referred to in the prior year was \$29,000,000 odd, and the reasons for that have been given. That very largely I think, Mr. Chairman, accounts for the difference in the statement between the \$92,000,000 in the profit and loss statement of last year and the \$115,000,000 odd in the statement of the previous year. So that if you make that difference the result of the year's operation is comparative on the same basis—about the same, is not that correct?

Mr. McLAREN: Obsolete equipment was \$25,000,000 in 1935. On the same comparative basis for last year the result would be \$90,000,000 as compared with \$92,000,000.

Hon. Mr. STEWART: Yes, but just that one item. On page 10 of the statement for 1936 the comparative item is \$5,000,000 as against \$29,000,000 odd. That makes a difference of \$24,000,000 odd.

Mr. McLAREN: About \$23,000,000.

Hon. Mr. STEWART: In that one item alone, as I see it, there is \$24,000,000 of a difference, and the explanation given as to why it was \$29,000,000 in the prior year was that a lot of equipment which, while having a service value, had become obsolete and was written off, the result being to show, apparently, a much worse result of the operations in the year 1935 than in the year 1936, showing as I have said, the total system's net loss of \$115,000,000 in that former year as against \$92,000,000 in the last year.

Mr. McLAREN: But you were speaking originally of the \$115,000,000 compared with the \$92,000,000, and the difference between the amount you referred to \$5,900,000 and \$29,100,000 is about \$23,000,000. Taking that off the \$115,000,000 would make about the same result.

Hon. Mr. STEWART: That is what I am saying; that the net result, carried through on the same basis, would make the two practically the same.

Mr. ARMSTRONG: That is hardly correct.

Hon. Mr. STEWART: I would be glad to have it cleared up, because that is the way it looks to me.

Mr. ARMSTRONG: As I understand your point, it is that last year we had a system net loss of \$115,000,000 and this year \$92,000,000; in other words, a betterment of \$23,000,000.

Hon. Mr. STEWART: Apparently; and that is something we would rejoice in.

Mr. ARMSTRONG: In equipment retirement we had a betterment of \$23,000,000, therefore, one cancels the other. In other words, if you take out of these figures the equipment retirements you have no better result this year than last year. Is that what you mean?

Hon. Mr. STEWART: It is practically the same.

Mr. ARMSTRONG: As I understand it, you say that the operating result is not better.

Hon. Mr. HOWE: The charge for net operating to offset that, Mr. Stewart, last year, was \$6,500,000; the charge to operating for equipment retirement the year before was, I think, \$5,700,000. The operating results are roughly \$900,000 better, and the saving in refinancing is better.

Hon. Mr. STEWART: That is a different point.

Hon. Mr. HOWE: They are both savings to the taxpayer.

Hon. Mr. STEWART: Probably so.

Mr. HEAPS: I asked a question yesterday in regard to costs of these refrigerator cars that were produced at Transcona and those that were bought from private contractors. I think you said you would get the figures for me.