ated depreciation on capital expenditures for war purposes. We exhaust that possibility. But where machinery has no possible post-war use, as in the case of shell-making machinery, we have adopted a policy, in agreement with the British government, that we take our depreciation at the start, pay for the machinery, and get our output at cost. Particularly where joint account is involved we have largely followed that procedure.

Mr. HANSON (York-Sunbury): Would the minister elaborate on output at cost? Just how would that be referable, say, to this advance to the Dominion Bridge company?

Mr. HOWE: This machinery is segregated in a separate building. It is operated as a separate operation. We have a treasury officer in the plant, and the price of the product is kept in proportion to the cost plus and agreed profit.

Mr. HANSON (York-Sunbury): So you get it at cost, and they get a small profit?

Mr. HOWE: That is it.

Mr. HANSON (York-Sunbury): What is the size of the profit? Two per cent, or five?

Mr. HOWE: Usually, about three per cent, depending on the size of the operation. Obviously, for a small operation, the percentage must be higher, and for a large operation it is often lower.

Mr. HANSON (York-Sunbury): That answers the question.

Mr. COCKERAM: Is a treasury officer employed in every one of these plants?

Mr. HOWE: Yes, a treasury cost accountant. The cost accountants are employed by the treasury, not by the Department of Munitions and Supply.

Mr. HANSON (York-Sunbury): That is for the protection of the treasury?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): Thank you.

Mr. HOWE: Another, for the Dominion Bridge company, for 25-pound shell cartridge cases, $350,175. Another, for the same company, 3·7 shell cartridge cases, $1,505,195. For the Dominion Bridge company, Montreal, 2-pounder guns, mark VIII, $4,000,000, United Kingdom account.

Dominion Engineering company, Lachine, for manufacture of machine tools, $800,000, Canadian account. Another, for the same company, 6-pounder anti-aircraft guns, $6,232,000, Canadian account. Another, for the same company, for 2-pounder mark VII mountings, $180,000, for United Kingdom account. Another, for 2-pounder anti-tank guns and mechanisms, mark X, $4,435,507; that is 25 per cent Canadian and 75 per cent United Kingdom.

Mr. MacNICOL: May I ask the minister a question there? In the case of a large amount like that—and I have in mind some other amounts which were mentioned a few moments ago—to factories to which large additions are being erected, after the war is over those additions will still be there. How is that going to be taken care of? Does the government pay for the full addition to the plant—bricks, mortar, steel, roofing and so forth, including the machinery in the plant; and then, after the war, while the machinery will belong to the government, what about the buildings or the additions to the buildings?

Mr. HOWE: I may say that in practically all cases, before we will build an extension to a plant we acquire the land on which the extension is built; we build the building; we own the building and the land on which it stands, for such disposition as we may care to make after the war.

Mr. MacNICOL: In the case of one plant I have in mind, a very, very large plant which has been allotted a considerable sum of money, the addition, while large, is small in comparison with the whole plant. That addition was built on land belonging to the company. Does the government acquire the land which at present belongs to the company, and then build an addition up against the main plant?

Mr. HOWE: Yes. It is a condition of building on company land that the land on which we build, with suitable access to it, is deeded or leased to the government for a nominal sum for a considerable period of time. If my hon. friend will mention the plant he has in mind, I think I can tell him the arrangement.

Mr. MacNICOL: I am sure that the minister can, but I do not want to mention the plant.

Mr. HOWE: Dominion Forge and Stamping Company, Limited, Walkerville, 25-pounder shell forgings, $93,600, United Kingdom account.

Dominion Foundries and Steel Company, Limited, Hamilton, heat-treating and straightening armour plate, $723,535, Canadian account. Another for Dominion Foundries and Steel Company, Hamilton, 3·7 loose barrel forgings, $994,405, joint account, 50 per cent British and 50 per cent Canadian.

Dominion Rubber Company, Limited, Kitchener, toolings for tires, $163,469. Also, with the same company, tool-produced special sand tires, $67,632, for United Kingdom account.