

Mr. HEAPS: I was in the House when it was done, and I do not apologize for my vote.

The CHAIRMAN: Are there any other objections?

Mr. HEAPS: On this item?

The CHAIRMAN: Yes. That is the main item, \$40,000,000.

Mr. EMMERSON: Is there any break-down showing the amount of that Provident fund—the amount the government has to pay?

Mr. COOPER: It is shown on pages 1 and 2: \$1,421,000. It is in the note on the middle of the page.

The CHAIRMAN: Shall the item carry?

Carried.

Item 634: "To hereby authorize and provide for the payment from time to time during the fiscal year 1938-39 to the Canadian National Railway Company of the difference between the operating expenses and the revenue from the operation of the Prince Edward Island Car Ferry and Terminals (certified by the auditors of the Canadian National Railway Company to the Minister of Transport as and when required by the said Minister) in the calendar year 1938, \$327,000.00."

Mr. HEAPS: I might as well get a little information. I have been abused a great deal because I have asked for this information in the past. I might as well get a little more abuse now—not from the minister, but from other members of the House thinking I have no right to make these inquiries in regard to these questions. I would like to know what capital expenditure is involved in the ferry, and what the actual gross loss is in the operation of the ferry?

Mr. COOPER: The investment at the end of 1937 in the two-car ferries was \$2,893,000 and in the terminals \$4,987,000. That is the capital investment. The operating loss in 1937 is \$333,000.

Mr. HEAPS: And what is the cost of the capital investment in the ferries?

Mr. COOPER: \$2,893,000.

Mr. HEAPS: So that in addition to the \$327,000 there is also an additional loss of the amount you just mentioned?

Mr. COOPER: Of course, as far as the railway is concerned this capital is provided by the government as a part of the Canadian Government Railways and we ourselves do not have any interest charge.

Mr. HEAPS: Somebody has to pay it. I am not saying that it is up to the Canadian National system to pay it, but I would like to get a real picture of the actual loss in connection with these services.

Mr. SMART: There is no loss; it is capital invested—paid out of departmental estimates.

Mr. HEAPS: Yes, but the operations of the boats show a deficit of \$327,000, an estimated deficit; and on top of that has got to be added the interest charges on the boats.

Hon. Mr. HOWE: You can fix your own interest rate.

Mr. HEAPS: Say 3½ per cent or 4 per cent; and it comes to a loss of at least a million dollars a year.

Mr. COOPER: Four per cent would be \$315,000.

Mr. HEAPS: \$315,000 added on to this would make it about \$700,000. I would like to know the amount of revenue that comes in for the amount that was spent?

Hon. Mr. HOWE: Can you give him the revenue, Mr. Cooper?

Mr. ARMSTRONG: The revenues for 1937 were \$104,675; expenses \$431,679; deficit \$327,003.