

Mr. FERGUSON: We are told that Park Steamship company made \$100 million. I assume that before making \$100 million profit they must have set aside items, as any firm does, for depreciation. If these boats ran over a period of time the money which they would be able to retain before claiming a profit would be allocated under the heading of depreciation; it would be retained. I take it, as any ordinary company would do, in the company's coffers. If the company is owned by the government, would the depreciation money not be an offset against the cost of the boats before they ever declared \$100 million profit? That is the way it is done with every private corporation. I should like to ask the minister if the company, being a government corporation, was run in that manner. In other words, these boats should not have cost the country any money because depreciation would be allowed before it was declared that we had made \$100 million profit. Would the minister answer that, please?

Mr. HOWE: I have not used the word "profit" to-night. I used the word "earnings", the amount taken in, less cost of the voyage. The earnings as received are paid to the receiver general of Canada. I did not say they were profits. I suppose the profits will be known when the boat is sold and the recovery price is taken into account. I simply said earnings on voyages.

Mr. BLACK (Cumberland): Net earnings?

Mr. HOWE: Yes.

Mr. FERGUSON: One hundred millions of gross earnings. We may have operated at a loss of one hundred million. Is that what the reply is? The gross earnings are a little over \$100 million?

Mr. HOWE: I said net earnings.

Mr. FERGUSON: Would you say net profit?

Mr. HOWE: No.

Mr. FERGUSON: What is the minister's interpretation of earnings?

Mr. HOWE: The earnings are the net recovered from the voyage. The boat starts from Halifax for the United Kingdom and returns to Halifax, and the earnings are the amounts of freight collected, less the amount of supplies, labour, fees and everything connected with the voyage. Those are the earnings. I said accumulated earnings, not profits.

Mr. FERGUSON: Accumulated earnings after all costs have been taken out?

[Mr. Howe.]

Mr. HOWE: After all voyage costs.

Mr. FERGUSON: The government did not allow for depreciation out of earnings, or did they?

Mr. HOWE: I simply said they were earnings.

Mr. FERGUSON: I should like to find out if the government runs its business as any private corporation does. In the case of a private concern, before they say what they have made by way of earnings they deduct costs, including depreciation allowable by the government. If that is the case and they made \$100 million, why not take out depreciation? You will find we can give these boats away because they cost us nothing.

Mr. HOWE: The government's method of accounting is very simple. We get an appropriation for capital expenditure and any money that is earned goes back into another government account. Every government department is run that way. It is very simple. We do not talk about profits but about earnings, and that has always been the way.

Mr. FERGUSON: In the future I will adopt that principle. You take the money and put it in some place where you lose it and do not account for it.

Mr. COCKERAM: Is there a balance sheet?

Mr. HOWE: I believe the report is tabled. I shall be glad to get it.

Mr. LENNARD: I asked whether, when the information is brought down to-morrow by the minister, there may be further discussion if it is deemed necessary. Will that be allowed by the chair?

Mr. COCKERAM: The item stands.

The ACTING CHAIRMAN (Mr. Golding): Many items that have been under discussion have been carried, and the next day the minister brings down information and answers questions that were asked. But the items are carried.

Mr. LENNARD: That is what I wanted to know.

Mr. MacINNIS: I wish to be clear on that point, because it seems to me that if we proceed on that basis there will be no finality. I understood that the basis on which questions were asked before was that the minister would come here and answer questions as they were asked, but that once an item is carried it is certainly carried.