Mr. THOMAS (*Middlesex West*): I wonder, Mr. Chairman, if we could have a brief outline of in what this \$14,250,000 was invested? Could we have a few of the representative items?

Mr. HENDERSON: I would be pleased to put that into focus for you, Mr. Chairman.

Mr. Thomas, I am referring to page 128, where there is a reference made to additions to capital assets. At March 31, 1965, the corporation was planning a consolidation of its facilities in major cities in Canada. The figure, as indicated there, as you will see in the table, is over \$127,000,000. On the balance sheet which will shortly be published I think you will find that figure is even larger. I do not know the present status of this consolidation but at all events these loans are being made, as I understand it, over a period of years to put them in funds for the purpose of spending the amount that they expect to require in achieving this consolidation. It was explained to me that that was the purpose. You will see the details on page 128.

During the year, for example, there were \$13,000,000 in additions to fixed assets, but their balance sheet carries the statement of this long-term cost. Doubtless, therefore, the loans over the years are to cover that.

Mr. THOMAS (*Middlesex West*): \$13,438,000 of the \$14¼ millions were invested, we assume, in sound assets.

Mr. HENDERSON: Oh, yes. There is no question about that. In this particular case you see the technical equipment listed—the transmitters, the land for Place Radio-Canada, Montreal; that is the land for the Montreal consolidation.

Mr. THOMAS (*Middlesex West*): We can assume, too, that these assets would probably have a life of twenty years.

Mr. HENDERSON: Not all of the assets would last that long in this particular business, but they are effectively looked after, and depreciated in accordance with normal business practice at standard rates, and that sort of thing.

The CHAIRMAN: Mr. Baldwin, did you have another question?

Mr. BALDWIN: Yes. I was not quite finished with this. Mr. Bryce's answer gave me some indication of the nature of the assets, but I assume that, having in mind the generally accepted interpretation of the word "loan", these are not assets which have any net revenue-producing capacity, unless, of course, it was an extension of television into the Peace River country!

I am going back to the same point of distinction that Mr. Henderson was trying to make, that if the loans are made with some prospect that, at some time in the future, no matter how dim, or how far ahead that prospect might be—there is a hope that there will be some degree of repayment—then the use of the word "Loan" is justified, but if it is a grant disguised as a loan even though given to a Crown corporation which is engaged in some measure of commercial activity, I think I would be inclined to accept Mr. Henderson's version of it. This is my own view on it.

Mr. BALLS: I wonder, Mr. Chairman, if I could say a little bit about my understanding of the principle that is involved here?

We certainly are concerned to ensure that our statement of assets and liabilities is a realistic statement. We are equally concerned, however, to ensure that our statement of revenues and expenditures is realistic.