

Senator BRUNT: Can you borrow this money at any time up to the 30th day of June, 1962?

Mr. TASCHEREAU: That is right.

Senator BRUNT: You do not have to borrow it in your fiscal year, which ends on the 31st day of December, 1961?

Mr. TASCHEREAU: No sir.

This amount I have just mentioned of \$44.8 million, which we will have authority to borrow, is not for the account of the C.N.R. alone, but includes the T.C.A., as I mentioned at the beginning.

The senators may be interested to know the details. The C.N.R. borrowing for 1961 will amount to \$14.1 million, and for the first six months of 1962 it will be \$1 million. The total borrowing on account of the C.N.R. under authority of this act for the 18-month period will therefore be \$15.1 million.

The CHAIRMAN: Perhaps at this point you can tell us what was the equivalent figure for the borrowings last year, Mr. Taschereau?

Mr. TASCHEREAU: I will be glad to do that, sir. If I may, I shall finish this explanation and give it afterwards.

The CHAIRMAN: Yes. I thought the committee might like a comparison of your borrowing requirements for the two years.

Mr. TASCHEREAU: Yes. There is quite a difference.

T.C.A. borrowing for 1961 will be \$19.7 million, and for the first six months of 1962 it will be \$10 million, or a total for T.C.A. of \$29.7 million. This is the lowest budget we have had for many years.

The CHAIRMAN: That is what I want to get at.

Senator BRUNT: Is this the total of your borrowings? You have made no provision to borrow in connection with the operation of your hotels. You do not expect you will have to borrow anything there. And with respect to the Grand Trunk Western Lines, is that included?

Mr. TASCHEREAU: Perhaps I might deal with this point later.

Senator BRUNT: Go ahead.

Mr. TASCHEREAU: Continuing on this point, that this is our lowest budget for a long time, I would like to explain that the reduction is substantial, and I shall bear that out with the figures that the chairman has requested. It has been made possible by the completion in 1960 of dieselization and of many other large modernization programs; also by the fact that due to a decline in traffic experienced last year our requirements for new equipment and facilities have become much smaller. The result is that, excluding new branch line construction, we expect to be able to finance our complete general capital program out of self-generated capital and the proceeds of sale of preferred stock. We feel that we are justified in financing new branch line construction by borrowings, because our policy continues to be that branch lines should stand on their own feet economically.

Senator BRUNT: Would you give us a table with the new branch line constructions on it? Is it in this document you handed out?

Mr. TASCHEREAU: It is in the budget, yes.

The CHAIRMAN: I think it is page 4, Senator Brunt.

Senator BRUNT: Yes.

Mr. TASCHEREAU: If the committee will permit me, I think it might be useful if I were to reconcile the figures appearing in the copy of the budget you have before you with those that appear in clause 3 of the bill. If you look at page 1 of the budget—

The CHAIRMAN: That is this typewritten document that was circulated to the members of the committee?