

Mr. MACDONNELL: I am going to make this suggestion. I think a person reading this would find it rather difficult without your explanations.

Mr. GORDON: You see there is this point about it. I fully sympathize with you. We have thought it very advisable to set forth clearly the difference between the new items which we are asking for authority for this year.

Mr. MACDOUGALL: Could you give an explanation for the capital budget for 1953 not including items contracted for in previous years which are to be paid for in 1953?

Mr. GORDON: I have attempted to do that on the next page which covers the financial authorizations required this year.

The CHAIRMAN: Capital budget, 1953?

Carried.

Mr. FULTON: Just before we leave this page. I am puzzled by this thing too. Do I understand that this budget is in the nature of a budget where as you show here you have a figure of approximately \$10 million for new equipment that you expect to have to pay this year for new equipment?

Mr. GORDON: Yes.

Mr. FULTON: And that it is in the nature of a budget, and if in fact you should be over estimating the deliveries you will get and you only get delivery of \$8 million, does that leave you with a surplus in your capital budget of \$2 million.

Mr. GORDON: No. We will have to come back next year and ask for a revote.

Mr. FULTON: Perhaps I misapprehended the nature of this budget. Will parliament be asked to vote the sum of approximately \$10 million for that item?

Mr. GORDON: It is included in the other financial authorities which will cover our cash expenditures in 1953. What I am trying to set up here is to show you in 1953 the new thoughts which are summarized in that table. I will show you in the next page the cost of all items which have been previously authorized but which have now got to be paid for in 1953, and I will also show you what portion of that represents revotes and so forth and they are all spelled out with the intention that the financial authorization we will ask parliament to approve following the recommendations, I hope, of this committee will cover the actual payments to be paid this year, but will also authorize us to make commitments for things to be paid in later years.

Mr. FULTON: Now I understand the picture. One final question with regard to your additional working capital figure of \$15 million. Does the same principle apply that if by chance you should not need the whole of that working capital but have, let us say, a surplus of \$2 million? What happens if by any chance you should not need that but have a surplus?

Mr. GORDON: This authorizes the minister to let us draw down from him \$15 million over the year. If we find we do not need it we will not ask for it and it will lapse until next year.

The CHAIRMAN: Carried?

Carried.

Mr. GORDON: Turning to page 2, which is the operating heart of our budget, you will find a total which I took you through of \$37 million which is now the first item you see in this table to be authorized. Then we show branch lines, Sherridon-Lynn Lake on which we estimate we will expend \$2,758,513 this year, then Terrace-Kitimat line on which we estimate we will spend \$6,580,000 and then under that are the revotes, \$35,561,634, previously authorized to be paid for. Under the heading of new equipment you will find there