

Finance

43. The company's financial year is the calendar year. Each year its accounts and the accounts of its two subsidiaries are audited by the Auditor General of Canada and a financial statement is published and made available to the public.

44. The Government's total investment in the shares of Eldorado was \$9,246,877, consisting of \$5,271,812 payable to the shareholders of the company at the time of the expropriation in 1944, and \$3,975,065 subsequently subscribed for new shares. These shares were issued to the Government in 1946 and the proceeds were used by the company for improvement of facilities and to provide working capital. In 1949 the Government's investment was reduced from \$9,246,877 to \$8,246,877 by the redemption of a million dollars of capital stock.

45. In Appendix F to this submission are shown copies of the company's balance sheet and related statements of income and expense and surplus for the year ending December 31, 1960, including comparative figures for the year 1959. Since the Government acquired ownership, it has received in dividends from the company \$19,740,000 and in income taxes \$16,700,000. The company has built up a strong working capital position with substantial holdings of cash and short-term deposits which included at December 31, 1960, \$13,200,000 on deposit with the Receiver General of Canada.

46. In keeping with its policy, the company has maintained its capital assets in an up-to-date and efficient condition. Appropriations for expenditures on new facilities are submitted annually for approval of the Governor-in-Council in accordance with the provisions of the Financial Administration Act. This Act does not require the submission of operating budgets. The capital budget for 1961, approved in the amount of \$3,250,000, provides for the completion of the Waterloo Lake power project on which construction was commenced last year and the installation of an electronic ore sorter at Beaverlodge.

Contracts for Eldorado Production

This is apart from the industries production; this is Eldorado's own contract.

47. As of December 31, 1960, the undelivered balance of Eldorado's two mine contracts for the production of mill concentrates (yellowcake) were as follows:

Port Radium—576,370 lbs. U_3O_8 valued at \$4,610,960. It may seem strange, sir, that although the mine was closed we still have a certain amount of product undelivered. That is due to seasonal transportation. In other words, it will be next year, next summer, before it is all out.

Mr. DUMAS: The material is there?

Mr. GILCHRIST: The material is there, yes. It goes out by winter transportation—some by air but mostly by water, and it will be next summer before it is all out. Then, to continue: Beaverlodge—8,186,060 lbs. U_3O_8 valued at \$83,348,607.

Under a separate contract the company is paid a fee for refining mill concentrates from its own or other mines to produce nuclear grade oxide. The value of the balance of this contract is \$10.3 million.