

The CHAIRMAN: Which page?

Mr. FULTON: Page 48 of volume II, the last entry, capital works and progress, \$438,001.

The CHAIRMAN: That was the 31st of March, 1955, and I suppose most of them had been completed that year.

Mr. FULTON: That is my point. If most of them had been completed, it seems to me there is a surplus on hand, a total accumulated surplus of \$10,772,000 according to the books. Then, actual cash in bonds of \$15,000,000. I was wondering what future provision or requirement is anticipated that would support the decision that that money should be left in the hands of the corporation?

Mr. BALLS: There are two points in regard to that, Mr. Chairman. One is: the \$438,000 which Mr. Fulton refers to represents the portion of the capital works in progress at the end of the fiscal year which could not have been allocated at that time to the various categories above.

The second point is: this was fairly early in the stage of the development of the television service of the corporation. There were at that time, as I recall, fairly substantial commitments in connection with the capital program and the cash disbursements would be made subsequently. Since the date of this particular financial statement there have been very large expenditures made, and the balances of the corporation have been drawn down considerably.

*By Mr. Fulton:*

Q. Just so that we can complete the picture, have you got any information, can you give us some idea of the—A. I am sorry, I have not got the material before me I think the officers of the corporation would have to be called.

The CHAIRMAN: We would have to get someone from the corporation for that further information.

The next item in this list on page 111 is the Central Mortgage and Housing, \$6,493,000. Have you any remarks about the adequacy of that amount being held in surplus?

The WITNESS: On page 84 of volume II, the cash there is shown as \$2,800,000, in a corporation which has not far short of \$700 million assets and liabilities, and their annual operating costs are in the order of \$15 million. They, of course, have substantial funds they are paying out from month to month on loans. They also have a large number of regional offices which have to be kept in funds, and they have local bank accounts for these various regions.

Hon. Mr. ROWE: That would appear almost inadequate, then?

The CHAIRMAN: That is only cash, of course, that \$2 million. There are \$6 million in cash and securities there, in all.

The WITNESS: Yes, they have reserves. Part of that reserve would be the—no, they had not started the insuring of mortgages. That was December 31st, 1954 before it started. The insuring of mortgages had not got under way at that time.

Hon. Mr. ROWE: It still looks as small as the other does large.

The CHAIRMAN: Well, that is a matter of opinion.

Hon. Mr. ROWE: That is my opinion.

The WITNESS: Of course, on their loans, they do not borrow their annual requirements in a lump sum; they borrow from month to month as they require it. If they have large disbursement on mortgage account they can come to us, and in 48 hours get another \$5 million.

The CHAIRMAN: The next item is the Crown Assets Disposal Corporation.