

Hon. Mr. ROWE: It seems to be a little misleading when you term it as "source of income"; it is really a grant, because of the loan.

The CHAIRMAN: It is not misleading because the word "grant" appears in both, it is mentioned in the first two lines of the statement of income and expenditures. It says:

Grant under section 14 (3) of the act . . ." and it says "grant under section 14 (4) of the act . . .

There is nothing misleading in that, with all due respect to you, Mr. Rowe.

Hon. Mr. ROWE: Their income sounds as though it was income which is operating income.

The CHAIRMAN: Grant sounds as if it is a grant, does it not. You have the word "grant" right there in the statement!

By Mr. Applewhaite:

Q. I believe that the heading of the statement should be changed to read "statement of receipts and disbursements".—A. It does not include receipts from loans.

By Mr. Harkness:

Q. This all stems back to the point that this corporation is entirely different from such a corporation as Polymer where the receipts are due to sales, whereas in this corporation these receipts are really due to grants and taxes which are assigned by parliament. As Mr. McLeod has pointed out, it is supported at public expense through taxes.

The CHAIRMAN: And in the public interest!

Mr. HARKNESS: Well, yes.

The CHAIRMAN: You cannot compare it to Polymer Corporation. It is not like Polymer. It supplies services to the people and those services cost money.

Mr. HARKNESS: I said that it was in quite a different situation to a corporation like Polymer.

The CHAIRMAN: I think you compared it to Polymer and you drew that conclusion.

Mr. LEDUC (*Jacques-Cartier-Lasalle*): Shouldn't it say that these receipts come from special taxes?

The CHAIRMAN: It says so right there.

By Mr. Fulton:

Q. This all arose out of the question whether it would not be appropriate to suggest to the C.B.C. that they turn over to the Receiver General some of this quite large capital, this accumulated capital surplus, they now have, and then we go a little aside from that in our discussion.—A. All I can reply to that, Mr. Fulton, is the two ministers concerned, having regard to the future commitments of the corporation for expansion of services during the subsequent periods, after March 31, 1955, came to the conclusion that there was not an excess of cash which the corporation should be required to surrender.

Q. I take it from that the two ministers anticipate a deficit in C.B.C.?—A. No. There are very large capital expenditure programs.

The CHAIRMAN: And particularly at that time, a large capital expenditure program was the development of television.

Mr. FULTON: This is 1955; and I notice at page 48 of volume II, the capital works in progress are in the order of \$438,001. That is not a very substantial item.