

Mr. VAUGHAN: On the initiative of the province, municipality or city, or as the case may be.

Senator McKEEN: Which is the field in which your greatest expenditure is on, old highways that have been there for years or new highways which are being put in now? I am referring, of course, to railway crossings.

Mr. TASCHEREAU: I would think it is about half and half.

Senator BRUNT: You are using everybody alike. Could we move along unless someone else has something with respect to the first page?

The CHAIRMAN: Has any honourable senator any question with respect to the first page? You are satisfied, Senator Pearson?

Senator PEARSON: Yes.

Senator BUCHANAN: What about the branch lines?

The CHAIRMAN: We will come to those in detail. On page 2 we have the "Statement of Financing Authority required with respect to Capital Budget". These are just figures and not details on particular expenditures, are they?

Senator BRUNT: I think they are self-explanatory, are they not?

The CHAIRMAN: The branch lines are dealt with somewhere else, but there is a reference to them here.

Mr. VAUGHAN: That page is designed to explain the sources of the fund.

The CHAIRMAN: Shall we pass page 2?

Senator SMITH (*Queens-Shelburne*): I have some information I would like to get with respect to page 2. I wonder if Mr. Taschereau has any information with him regarding T.C.A.? I have in my mind the financing requirements in connection with the gross capital expenditures for January 1, 1962, to June 30, 1962, \$10 million. Now, the total amount for the full year 1961 was \$19 million. In other words, it seems we are authorizing capital expenditures for T.C.A. at the same rate as is being proceeded with in 1961. What is this for? Are we going on with the program of new aircraft? That is what I had in mind.

Mr. TASCHEREAU: Before I answer your question, sir, directly, may I point out that while T.C.A. financial requirements are included in the bill, T.C.A. runs its own budget independently and submits a separate budget and makes its own representations on it.

Senator SMITH (*Queens-Shelburne*): Yes.

Mr. TASCHEREAU: I would be glad, though, to answer your question by reading from the budget submitted by T.C.A. this year?

Senator SMITH (*Queens-Shelburne*): Just briefly.

Senator BRUNT: It is pretty well for new aircraft, isn't it, Mr. Taschereau?

Mr. TASCHEREAU: The largest single item, as I recall—I am just trying to put my finger on T.C.A.'s budget—is for aircraft.

Senator SMITH (*Queens-Shelburne*): What proportion of the capital expenditure is that, 75 per cent?

Mr. TASCHEREAU: I would think it is about two-thirds.

Senator SMITH (*Queens-Shelburne*): That is what I had in mind. Have you any information as to what the deficit was last year of T.C.A.?

Mr. TASCHEREAU: It was, and I am just speaking from memory, just over \$2 million, with a forecast of a surplus for 1961 of one-half million dollars.

Senator BRUNT: Mr. Taschereau, on a cash flow basis was there any deficit in T.C.A. for last year?

Mr. TASCHEREAU: No.

Senator BRUNT: What was the surplus?

Mr. TASCHEREAU: I will try to find that. The net operating income for 1961 for T.C.A. was \$4,437,538.