

Mr. MACDONNELL: Footnote 2 says:

"Authority is requested to place order for new equipment contained in the 1953 budget program in the amount of \$3,765,000 (see page 8 (F))."
What is that?

Mr. GORDON: Just turn over the page and you will see page 8(F) which sets out the detail. Note (F) at the bottom. That shows you the portion—you will see that on page 8(F) \$9,959,000. A portion of that is covered in page one and that is the portion we think we will deliver this year, but our total orders would be \$13,724,000 so the difference between a \$9,900,000 and the \$13,724,000 is now being authorized as a commitment because we will not be paying for it until a later year. That covers one portion. The next portion on note 2 is \$54,534,000 which you will find on page 9(G) and specified there is the authorized commitments we are proposing to buy, and which will not be delivered until, we think, 1954. So, I am asking you now to give us authority to commit ourselves to the purchase of the items detailed therein.

Mr. FULTON: That is in 1954.

Mr. GORDON: Yes and next you will find this item of \$54 million, that will be shown in the financial authority for next year. The same thing applies in regard to note 3. This covers general additions and betterments and that is the only difference and you will find that on page 3. That is the commitment portion of that.

Mr. MACDONNELL: The only question I have here is, there is a figure I have noted down, and I do not know where it occurs, saying that the increase in your borrowed capital in the year 1952 was \$97,164,000 and the increase in assets was about \$135 million.

Mr. GORDON: Yes.

Mr. MACDONNELL: Now, would part of that come from the purchase of preferred stock.

Mr. GORDON: Yes, and the rest from depreciation.

The CHAIRMAN: Any further questions on page 2. If there are no further questions on page 2 we have completed the budget. The underlying pages simply deal with details. Pages one and two are the heart of the budget.

Mr. FULTON: I think there is an explanation for page 3, and there is not for additions and betterments.

The CHAIRMAN: All the subsequent pages are simply details and one and two are—

Mr. FULTON: I do not see the additions and betterments.

Mr. GORDON: I see your point Mr. Chairman. You will notice that in the note we have placed here for additions and betterments.

Mr. MACDONNELL: What page is that.

Mr. GORDON: Turn to page 2. That is the one Mr. Fulton was asking about I understand. In the note on page 2 we referred to general additions and betterments and page 3 shows you the detail as to how we arrive at that.

Mr. MACDONNELL: Where do we get that commitment figure.

Mr. GORDON: These two items you see in the summary there, commitments re-voted \$8,153,000 and commitments new funds \$8,252,000 jointly makes the \$16 million and you will notice the next figure there of \$12 million is our present year's figure as shown on page one.

Mr. MACDONNELL: You will tell the Department of Justice they are wrong about this, will you not?

Mr. GORDON: I am beginning to realize it is much wiser not to tell anybody that they are wrong. Life is much more comfortable.

The CHAIRMAN: Shall the budget carry?

Carried.