

Mr. VAUGHAN: The signalling program is a large program.

Senator CONNOLLY (*Ottawa West*): It will be a number of years before it is completed?

Mr. VAUGHAN: We are doing it in an orderly manner.

Senator CONNOLLY (*Ottawa West*): Yes, I understand.

Mr. VAUGHAN: We could not do it all at once. We are going along with about six subdivisions a year.

The CHAIRMAN: Most are in the west, I take it, because under the heading of signals, your proposed expenditures on the western region are higher than in any other region—\$3,785,500.

Mr. VAUGHAN: It is expected that three C.T.C. installations will be completed in 1961. They are: Chipman—Pacific Junction to Napadogan, New Brunswick; Harte—Portage la Prairie to Rivers, Manitoba; and, Miniota—River, Manitoba, to Melville, Saskatchewan. I could give you some more, as we go along into 1962, but perhaps that is sufficient.

The CHAIRMAN: Are there any further questions on page 3?

Shall we proceed to page 4, "Branch line construction"? One honourable senator had a question on that.

Senator BUCHANAN: That answers my question, Mr. Chairman.

Senator PEARSON: Concerning those top figures, you have 40,825,000 for Beattyville, Chibougamau and St. Felicien, 4,500,000 for Sipiwesk-Thompson and 10,165,000 for Optic Lake-Chisel Lake. In the authorized expenditures these same amounts are not shown, except in the case of Optic Lake-Chisel Lake, 10,165,000. In the case of Beattyville-Chibougamau-St. Felicien, it is \$35 million.

Mr. TASCHEREAU: On the Beattyville-Chibougamau-St. Felicien, the Government paid a subsidy to the C.N.R. That was not the case in regard to the other branch lines, Sipiwesk-Thompson and Optic Lake-Chisel Lake.

The CHAIRMAN: Senator Pearson was asking why there was an estimated expenditure of \$40,825,000 and you have actually spent, up to date, \$34.7 million. It is to be provided by a subsidy?

Mr. TASCHEREAU: Actually, we have spent to the end of 1960, \$34.7 million, and we expect the cost to complete the branch line—which is clean up work—to be \$142,000.

Mr. VAUGHAN: I think that the figures shown there are contained in the original statute of 1954, authorizing the branch line. In order to reconcile them with the statute we have shown the estimate at that time. Each year we submit to Parliament a progress report in accordance with that statute. We show the original figure to begin with.

The CHAIRMAN: Do you mean that the estimate in 1954 was \$40.8 million, and you have completed the line now at a cost of \$34,788,000, subject only to a small amount of \$142,000 to complete, is that it?

Mr. VAUGHAN: That is correct.

The CHAIRMAN: That is quite apart from the subsidy you have received for that line?

Mr. VAUGHAN: Perhaps if I could take a moment, I could look at this. If you would carry on, I will come back to it and give the figures.

Senator BRUNT: Very well.

The CHAIRMAN: Are there any further questions on "branch line construction"?

Shall we turn to page 5?

Senator STAMBAUGH: Mr. Chairman, before we leave page 4, I would like a little explanation of what this contingent expenditure of \$10 million means.