

Supply—External Affairs

Mr. Green: Has there been any money paid out during the year for the training of merchant seamen?

Mr. Abbott: I am afraid I have not that information here. This item covers both merchant seamen and salt water fishermen pensioners.

Mr. Green: Perhaps the minister could get that information?

Mr. Abbott: I can get that information but perhaps the hon. member will allow this item to pass and I will provide him with that information later.

Mr. Bell: I would also like to have information as to how many merchant seamen have been receiving benefits due to the scrapping of the fleet. Perhaps the minister will provide that information?

Mr. Abbott: I will see that that information is furnished.

Item agreed to.

DEPARTMENT OF EXTERNAL AFFAIRS

Loans, investments and advances—

630. To provide, subject to regulations of the treasury board, for working capital advances in the current and subsequent fiscal years to posts and employees on posting abroad, and to authorize the creation of a special account in the consolidated revenue fund to which shall be credited expenditure made by and advances recovered from the said posts and employees, the excess of the amounts charged over the amounts credited to the account at any time not to exceed \$1,000,000. Vote 655 of the Appropriation Act No. 2, 1952, is hereby repealed, \$1,000,000.

Mr. Green: Will the minister explain this vote? It seems to set up one of these revolving funds which appear to be a new departure in government finance. We have had one other example of this during the present session and I would like to have an explanation from the minister.

Mr. Abbott: Vote 655 of the supplementary estimates 1951-52 set up an account to provide working capital advances, not to exceed \$600,000, to facilitate the financing of external affairs posts abroad. The setting up of the account was an attempt to meet a very difficult financing problem in providing funds for posts abroad. The time lag between the receipt of expenditure accounts and the forwarding of the advances makes it necessary for a second advance to go forward before the first has been accounted for. Thus, at any point in time, there is a substantial amount of "in transit" funds. Before the device of the working capital accounts was introduced, the advances were made from a departmental appropriation and it was necessary for that vote to be much larger than the actual amount required to meet the total expenditure which remained as a charge to it when the books

[Mr. Abbott.]

were closed at the end of each fiscal year. Similarly, serious bookkeeping difficulties were encountered in making advances from several votes and then distributing the expenditure among their appropriate allotments. By charging all advances to the special account, these difficulties were considerably eased. The department now finds that the present amount in the account is not adequate to meet the expanding needs. Factors contributing to this inadequacy are: (1) opening of new posts; (2) increase in amounts required due to general rise in prices; (3) increase in interest-free loans and security payments; (4) additional requests for expenditures by posts on behalf of other government departments; and (5) increases due to expanded program of furnishing and other capital items at posts abroad.

In view of the department's request, treasury board, under T.B. 463061 of March 5, 1954, approved the increase in the working capital account from \$600,000 to \$1 million and its inclusion in these further supplementary estimates. It seems to work out pretty well in departments which have expenses of this kind all of which, of course, are kept under strict treasury control.

Mr. Green: They previously had \$600,000?

Mr. Abbott: Yes.

Mr. Green: Was there a vote of \$600,000 in the regular estimates?

Mr. Abbott: It was set up in further supplementary estimates for 1951-52 as a revolving fund for which a loan of \$600,000 was authorized in the supplementary estimates for 1951-52, which covered the amount of advances. The purpose of this vote was to consolidate that \$600,000 with an additional \$400,000 to make a revolving fund of \$1 million.

Item agreed to.

DEPARTMENT OF NATIONAL REVENUE

Loans, investments and advances—

Customs and excise divisions—

632. To authorize and provide for the operation of a revolving fund in accordance with section 58 of the Financial Administration Act for the purpose of acquiring and managing material to be used in the manufacture of uniforms, the amount to be charged to the revolving fund at any time not to exceed, \$90,000.

Mr. Green: This appears to be another example of the revolving fund. Is this the first time the Department of National Revenue has had such a fund? If so, why is it necessary to have it?

Mr. Abbott: I believe this is the first time. My hon. friend will recall that the establishment of revolving funds generally was authorized under the Financial Administration Act