

when they sold out. In that case the Public Accounts Committee dealt with the matter and criticized the investment in a security which was liable to fluctuate. The committee said they should have invested the money in treasury bills. However, a new appropriation was obtained from parliament to make good the deficit.

*By Mr. Bradette:*

Q. Those were British consols?—A. Yes. Now, the question has been raised over this £100,000 which they used in England.

The CHAIRMAN: Excuse me, Mr. Sellar. Up to now I have insisted on following a certain order. So I think we should refer to article No. 1.

Mr. FLEMING: Might I ask about the printing in the proceedings of these two appendices, Mr. Chairman? I suggest that they be printed.

The CHAIRMAN: Yes, Mr. Fleming. The whole memorandum and appendices will be printed in our records. Are there any questions with respect to item 1, on page 1?

*By Mr. Fleming:*

Q. I wonder if Mr. Sellar would enlarge on the practice which obtained in Britain as outlined in the third sentence from the end of paragraph 1, reading as follows: "Many years ago the British Public Accounts Committee relieved the law officers of full responsibility for application where the point of law was, in fact, incidental to questions relating to accounting and financial practices."—

A. Their practice over there was as follows: They made a rule first that the opinions of law officers should never be published. Those opinions are treated as departmental information. If I should ask for an opinion of a law officer in England I would not get it because he is not permitted to give it. That is number one.

The second point is: They found that the law officers were being asked to give opinions based on a statement of a particular set of facts. In other words, the law officers might not have the full story before them on which they would give an opinion. Then the department might twist that opinion to apply to other sets of facts, and it was found to be generally objectionable. Therefore, they made a rule that before any department applied for a legal opinion on any financial or accounting matter that department must first submit its request to the Treasury in order to make sure that the text was all-embracing so that the law officers would have a complete statement of the facts and points involved before them.

Secondly after the law officers gave an opinion it was ruled that the Treasury must then review that opinion, and if it was decided that financial or accounting problems were of the essence of the matter, then Treasury had the power to take the responsibility of making directions as to how that opinion was to be applied. The Public Accounts Committee approved that practice as early as the 1890's and they have been following that practice ever since.

Q. Does the practice vary in that respect in Canada? Would you recommend a change in our practice?

The CHAIRMAN: Would you be good enough to speak a little louder, please?

Mr. FLEMING: I am sorry, Mr. Chairman.

*By Mr. Fleming:*

O. My question was: What is the practice in the same regard in Canada, and in what respect, if any, does Mr. Sellar recommend that the practice be changed?—A. The practice in Canada is that the deputy minister of any department enjoys the full right to write to the Deputy Minister of Justice