

## PUBLIC ACCOUNTS

May 5, 1966

compared with \$304 per pupil at Oromocto. The Treasury Board has requested the department to advise it as to the action proposed to reduce the excessive education costs.

The capital assistance loans referred to above have from year to year been classified as assets in the Statement of Assets and Liabilities (Exhibit 2). In both the 1959 and the 1962 reports the Audit Office suggested that in view of the very small amount of revenue accruing to the Town (currently and in the foreseeable future) it seemed unrealistic to continue to treat the loans to the Town as an asset item for purposes of the Statement of Assets and Liabilities. The Public Accounts Committee, after reviewing this matter, recommended in its Sixth Report 1964 that the Department of Finance give consideration to writing off these loans to expense (see Appendix 1, item 25).

Mr. HENDERSON: Mr. Chairman, this item relating to the Town of Oromocto, relates only to the 1964 report. In this note it is pointed out at its conclusion, as you will see, that the capital assistance loans which is shown in the tabulation here as having totalled \$4,450,000 up to the end of 1963-64, have been treated as assets in the statement of assets and liabilities. Now, since 1939, we have suggested that, in view of the very small amount of revenue accruing to the Town of Oromocto, currently and in the foreseeable future, it seemed to us unrealistic to continue to treat these loans to the town as an asset item in this way. In 1964 your committee heard evidence from the Deputy Minister of National Defence and also the Deputy Minister of Finance, on this subject. It was following that that you made your recommendation that the Department of Finance give consideration to writing these loans off to expense. In February I asked the Deputy Minister of Finance for advice as to what steps had been taken to implement this recommendation. I spoke to Mr. Bryce about this matter yesterday and we have a date to discuss it. If the committee is agreeable, Mr. Chairman, I suggest we might stand this item and I will report back to the committee at a later meeting. Would that be satisfactory?

The CHAIRMAN: Does the committee agree?

Some hon. MEMBERS: Agreed.

63. *Military assistance to the United Nations and Indo-China Truce Com-missions.* Canadian defence forces are presently engaged in peace-keeping operations for the United Nations in five countries. In this connection, the Department of National Defence has absorbed the initial cost of transporting equipment and personnel to the Middle East and the Congo, travel and removal expenses in Canada, normal pay and allowances, clothing and personal equip-ment, etc., which at March 31, 1964 totalled approximately \$39 million. In turn, the United Nations accepted the responsibility of reimbursing Canada for foreign and special allowances of serving personnel, abnormal depreciation of equipment supplied by Canada and used by Canadian forces, the cost of operating special Air Force flights at the request of the United Nations, and items such as vehicles, ordnance stores, and medical supplies specifically ordered from Canada for the use of the United Nations forces. Total recoverable expenditures over the years have amounted to \$23 million, of which \$2,700,000 was outstanding at the fiscal year-end.