

which are revenue-producing. The Minister had immediately implemented this policy by removing from the Statement of Assets and Liabilities a substantial amount in loans, etc., which could not meet this test.

This policy has been followed by successive Ministers of Finance ever since but a major exception was introduced in 1957-58 when funds required by the National Capital Commission for the purchase of lands in the Greenbelt were recorded as loans to the Commission instead of budgetary expenditures as had formerly been the case. They were given the appearance of being revenue-producing by asking Parliament to appropriate money to the National Capital Commission with which to pay interest on the loans. This practice has been the subject of comments in previous Reports and has been considered by the Public Accounts Committee which holds the view that outlays on properties in the Greenbelt are expenditures of the Crown rather than income-producing investments. The Committee has on two occasions requested the Department of Finance to review the existing practice with the National Capital Commission with a view to placing the financing of the Commission on a more realistic basis. This is one of the observations of the Standing Committee on Public Accounts which has not yet been dealt with by Executive action.

As is pointed out in paragraph 55 of this Report, the funds required by the Canadian Broadcasting Corporation to meet its capital expenditures during the year ended March 31, 1965 were provided by means of loans from the Government instead of grants as in the past.

The explanation quoted above means that the costs of government buildings and other public works undertaken by government departments are charged to expenditure at the time of acquisition or construction because the departments are dependent on public revenues for their capital needs. The two Crown corporations referred to above are also dependent on public revenues for their capital needs.

Mr. HENDERSON: This paragraph can be dealt with at the same time as the companion paragraph in the 1964 report on assets and liabilities.

In this note are contained my comments on the assets and liabilities, the presentation of them, and you will notice we reproduce the explanation given each year by the Department of Finance about which some discussion ranged this morning.

As I go on to explain, this explanation reflects the policy established by the Minister of Finance 46 years ago, namely that assets to be included in the statement should be confined to those which are readily convertible or which are revenue producing. It may interest members to know that the Minister of the day, as I understand it, immediately implemented this policy by removing from the statement a substantial amount of loans, and so on, which could not meet the test. I felt it was not inappropriate to mention that at this point,

Mr. Chairman.

I go on to say that this policy has been followed by successive Ministers of Finance ever since, the first major exception, however, took place in 1957-58 when, as we were discussing this morning, funds required by the National Capital Commission for the purchase of lands in the Greenbelt came to be