

In the course of discussion in the Public Accounts Committee (June 1964) on the subject of Special Warrants, the Secretary of the Treasury Board undertook to consider the desirability of enlarging on the special Governor General's warrant provisions in the Financial Administration Act (in particular section 28), in order to clarify its application to situations arising when Parliament is dissolved without having appropriated the necessary expenses of the Public Service. Suggestions have been discussed for changes in this section of the Financial Administration Act, and these are now being studied. Should the Government decide that an amendment to the Act is desirable it will present its proposals to Parliament in the usual way.

9. *Remission of sales tax on oleomargarine.* The Committee was concerned to learn that the undertaking given in 1949 that the Government would submit to Parliament legislation designed to exempt oleomargarine sold in Newfoundland from the federal sales tax in the same manner as basic foodstuffs in other parts of Canada had not been carried out. Instead, the authority provided to the Executive by section 22 of the Financial Administration Act had been used to render a tax, applicable elsewhere in Canada, completely inoperative in one province.

The Committee stated that it does not consider that section 22 of the Financial Administration Act should be used in this way.

Comment by the Auditor General: Section 22 of the Financial Administration Act continues to be used in this way and I am not aware of any action being taken to discontinue the practice.

10. *Cost of gasoline used in departmental vehicles at Ottawa.* The Committee learned from the Secretary of the Treasury Board that an alternative means of effecting savings in the purchase of gasoline was presently being considered. Having in mind the time which had elapsed since the matter was first taken under consideration, the Committee urged the Secretary of the Treasury Board to have the matter finalized at the earliest possible date. The Committee further requested that the Secretary of the Treasury Board provide it in due course with information as to the final decision in this matter and also as to the various alternatives which were considered and, with respect to those which were rejected, the reasons for such rejection.

Comment by the Auditor General: The Treasury Board at its meeting on March 31, 1965, approved implementation of a national credit card system for Crown-owned vehicles operated by civilian Government departments and for which gasoline is now purchased from service stations. Department of Public Works' vehicles maintaining the Northwest Highway system were not included. In order to permit implementation of the scheme the Board authorized the Department of Defence Production to enter into formal agreements with certain suppliers who had offered attractive discounts which it was estimated would result in annual savings of \$158,000.

We have been informed by the Department of Defence Production that agreements have been entered into with suppliers and the necessary administrative procedures for the implementation of a national credit card system for