

lowest limit which was deemed compatible with their retention as an effective means of raising money for the Exchequer. There would have been some risk of defeating this object if the Government had taken out of the hands of the public for a series of years a considerable proportion of the limited issue of those bills.

Appendix "A". Extract from the fourth report from the Committee of Public Accounts, 1945-46.

*By Mr. Fleming:*

Q. This refers to the United Kingdom?—A. It is all the United Kingdom; both the appendices are for the United Kingdom, Public Accounts Committee. I could summarize them both for you if you like. The general conclusion that they reached in the Public Accounts Committee in England was: That they would not put in an individual vote for any work project for less than £100,000. That is the minimum figure they are taking for their works project. The rest are to be consolidated into votes. They have tried that method for over two years, and the Public Accounts Committee found it to work quite satisfactorily. Appendix "B" deals with the loss of money by investing it.

*By Mr. Bradette:*

Q. That refers to the United Kingdom as well?—A. Yes, Mr. Bradette, the United Kingdom.

*By Mr. Isnor:*

Q. Would the vote be broken down in the Auditor General's report?—A. Yes, sir. They break it down in some detail in their vote, but they do not vote subheads.

*By Mr. Cleaver:*

Q. It is one single vote, notwithstanding the subheads?—A. Yes, sir.

*By Mr. Isnor:*

Q. You mean in discussions it is considered as £100,000 vote. There is no discussion in regard to the items?

The CHAIRMAN: I am sorry to interrupt you, Mr. Isnor, but before we began with Mr. Sellar today, we established a rule that we would not ask any important questions until we came to the end of his reading of the summary. After that members may ask questions starting with number one.

Mr. ISNOR: Well, Mr. Chairman, I was here at the opening of the meeting.

The CHAIRMAN: I am sorry.

Mr. ISNOR: I understood that Mr. Sellar had already completed his statement.

The CHAIRMAN: No, Mr. Isnor. I think it would be more satisfactory, if you do not mind, to carry on until the completion of Mr. Sellar's comments.

The WITNESS: I would like to answer that question afterwards. The second point had regard to losing money by investing it. In 1898 they passed a blanket Act, authorizing the Commissioner of Works to construct a series of public buildings over a number of years. And for that purpose they appropriated £2,550,000. That money was turned over to the national debt commissioner to invest until the money was actually needed. The money was invested in consols. Consols were selling at a high price, but the South African war came along and the price of consols broke badly. As a result, £80,000 were lost,