

decide whether this should be shown as a non-recoverable grant, in which case it could be shown as an expense, or whether it is a grant which will some day be recovered and which, in the interim, may pay interest.

A case in point is a grant to the National Capital Commission, which we can say no one really ever expects to be repaid. On the other hand, a grant to the Bank of Canada could be repaid, and in the interim it could pay its own carrying charges. I think the danger of saying that the Department of Finance should determine which of these grants is recoverable is one which is very current in our minds at the present time, and that is the grant to Expo. At this present moment I think it would be very dangerous for the Minister of Finance to say this loan will not be recovered. It then takes away the compulsion which might be inherent in the loan under the present circumstances to have the loan repaid.

I think it would be difficult for Parliament or for the Minister of Finance to decide, in the initial stages, what to expect in the future from a loan which is made. So there is a difficulty that I can see. I think probably a grant to crown corporations or commissions should be set out separately in probably two categories; one a grant to crown corporations, and secondly, a grant to commissions and so on.

I think the accounts should also be very specific in the amounts of money which have been voted by Parliament for the payment of interest on grants made to crown corporations and to commission. In this way you could determine the over-all effect on the public purse by these two disclosures. The disclosure, first of all, of the interest voted by Parliament for the satisfaction of a government loan, and secondly, the amount of loans made in these two particular categories.

The CHAIRMAN: Mr. Long, do you have some observations?

Mr. LONG: Mr. Ballard, if you will look at our paragraph 167, page 112, you will note it sets out a copy of what the Comptroller of the Treasury puts in the Public Accounts as the basis on which it is determined what is shown as an asset on the balance sheet. It is a comparatively simple basis; it has been in effect for many years. Briefly it is that anything which is recoverable or is revenue producing may be treated as an asset; otherwise it is an expenditure. In public finance, rightly or wrongly, it has always been considered necessary to regard pretty well all cash—that is unless it is recoverable—as something which has to come from the taxpayers and, therefore, a budgetary expenditure. All your payments on land and buildings, are treated as budgetary expenditures. This is the policy, and this is the policy stated in the public accounts.

The points we are mentioning, namely the National Capital Commission, the CBC and Expo, are exceptions to this stated policy. Why should land in the Greenbelt be shown as an asset, but Uplands Airport, which is also in the Greenbelt, be written off to expenditure?

Mr. BALLARD: Of course, this follows along the remarks I made that in some of these cases there is a possibility of recovery.

Mr. LONG: But not the cases which have been mentioned here. These people cannot possibly produce revenue. Now you mentioned Expo. The Expo loans are