

51. Prior to the issue of letters patent, the Secretary of State intimated that they would issue only on receipt of an opinion of the Deputy Minister of Justice that the issue would effectively terminate the trusteeship of the existing trustees. On November 25, 1943, the Deputy of Justice wrote:—

It will be necessary in addition to the incorporation to make provision whereby the funds will be transferred from the present trustees to the corporation and relieving the trustees from liability in connection with such transfer. I am advising the Department of National Defence for Air that to do this it will be necessary to obtain an Act of Parliament or to pass an Order in Council under the War Measures Act.

To implement this, Order in Council P.C. 4770 of August 16, 1944, authorizes the Minister of National Defence for Air, after audit of the trustees' accounts, to direct

the said trustees to assign, transfer and make over all moneys, valuables and assets of the said fund to the corporation . . .

The Order in Council further directs:—

That the said corporation be and is hereby empowered, upon all said moneys, valuables and assets as disclosed by the said report of the said auditor being transferred to the corporation, to give to the said trustees receipts therefor;

That upon the said receipts being given to the said trustees they shall be forthwith and forever discharged from all or any liability in respect of the said moneys, valuables or as sets or in respect of their management thereof or otherwise as said trustees aforesaid;

That, notwithstanding anything contained in the said trust agreement, the corporation shall, upon the said moneys, valuables and assets being transferred to it, thereafter hold and, in its discretion, expend the same for the objects for which the said corporation is constituted, subject always to the said The Companies Act, 1934, the said letters patent and the by-laws of the corporation.

The amount transferred was \$610,885.55.

52. The desirability or otherwise of creating a corporation is not a matter of audit concern. Attention is drawn to the matter for two reasons:—

- (a) some of the sources from which the moneys were derived point to the conclusion that receipts should have been credited to Consolidated Revenue Fund;
- (b) there is no clear authority which permits the Governor in Council to give the directions he has with respect to the moneys.

### Section 15

#### GALLANTRY AWARDS WORLD WAR I

The Interdepartmental Committee on Veterans Affairs examined representations addressed to the Right Honourable the Prime Minister on January 17, 1946, by Mr. Gordon R. Bailey, Organizing Secretary, Servicemen's Own Services, Prince George Hotel, Toronto.

The representations applaud the legislation granting the payment by Canada of the sum of \$100 to recipients of the Military Cross and Military Medal during World War II and urge that such payment be made to veterans who won these awards during World War I.