

Mr. BRYCE: Mr. Chairman, perhaps I should say that it is the Minister and I who are the bottlenecks in this matter, not Mr. Balls and the accountants. Our time has been so taken up with other things that we have not done sufficient work on it at the top of the Department of Finance to permit Mr. Balls or his officers to take it up productively with the Auditor General's office. It does not reflect any lack of desire on our part to discuss it with the Auditor General.

Mr. MUIR (*Lisgar*): Having taken into consideration the complexity of the problem—and we all see it here—I think it is fair enough if we can have some assurance that next year a report can be made to the committee.

Mr. FLEMMING: Mr. Chairman, my question has to do with what would happen if the recommendations of the committee had been followed and these purchases of land in the Greenbelt were recorded as expenditures instead of loans. I assume it would simply increase the deficit for that particular year if there were a deficit, or reduce the surplus, if there were a surplus. My question is: You never expect to get loans of this nature paid by the National Capital Commission, do you? They are not going to pay you in cash, are they? I see no reason why they should not be treated as expenditures. I note by the paragraph that that was done previous to 1957 and then the system was changed. I think this is purely a question of a difference of opinion as to a common procedure.

Mr. BRYCE: It discloses to Parliament and draws their attention to things which merit attention.

Mr. FLEMMING: If this is carried as a loan, then it appears as if it were an asset, does it not? Whereas, actually it is an expenditure, is it not?

Mr. BRYCE: I do not like to reopen a long discussion. I think we must bear in mind that our statement of assets and expenditures has lots of other problems in it too. We show the CNR, for instance, as a huge asset and everyone knows we have been planning for three years to put legislation before Parliament to provide for its recapitalization. On the other hand, we show our investment in the Bank of Canada as \$5 million, I think, and we get a return on that asset of something like \$130 million of \$150 million a year. So that perhaps \$5 million understates what one might regard as a proper valuation on it. Therefore, it is by no means a perfect statement to indicate to people what all these things are worth in some economic sense.

Mr. FLEMMING: Some of them are revenue producing, are they?

Mr. BRYCE: Oh yes.

Mr. BALLARD: Mr. Chairman, I think the problem here is that while I do not agree with the presentation which has been made on the balance sheet, there is a problem and a point of view from the Department of Finance which I can accept, and that is this. When these grants are made initially, in many cases there is really no way to tell whether they are going to be revenue producing from their own corporate entity or commission entity, or whether the loan or the cost of carrying the loan is going to be contributed in addition to the loan from the coffers of the government. I think it should be quite a difficult decision for the Minister of Finance to make at the time of the initial grant of a loan, to