

under which the special warrants of the Governor General have been issued and moneys paid.

Mr. HENDERSON: Well I might mention, Mr. Baldwin, that I have not felt that it was necessary to consult my legal advisers on the points that I have made in this paragraph because for the reasons I state it seems to me to be self-evident they scarcely met the requirement of being urgently required for the public good. Conceivably it might have been of some assistance to bring my legal advisers in but I only refer to them—and I mentioned this in some detail at the last meeting—where I want a written legal opinion on a specific case. If the Committee felt they would like to have this studied by my legal advisers they have only to say so, but I have not engaged them unless I felt it was completely necessary.

Mr. BALDWIN: You do not think there has been any real challenge of this particular section?

Mr. HENDERSON: I do not find any challenge there at all, sir. I think it was in my knowledge that the Secretary of the Treasury Board and his associates found the interpretation they are required to bring to the wording of Section 28 a difficult one, and the matter is left on the basis that I think it would help everyone if it could be clarified on a specific basis.

46. *Prairie Farm Emergency Fund.* The deficit in the operations of this Fund during the year was \$1,073,000, compared with deficits of \$7,295,000 and \$47,733,000 in the two preceding fiscal years.

The Fund operates as a special account within the Consolidated Revenue Fund to record transactions under the Prairie Farm Assistance Act, R.S., c. 213. Under the Act, a levy of 1% is imposed on the purchase price of grain purchased by licensees under the Canada Grain Act, and the moneys collected, which totalled \$9,141,000 during the past year, were credited to the account. Awards are made to eligible farmers in areas affected by crop failure in the provinces of Manitoba, Saskatchewan and Alberta and the Peace River District of British Columbia. During the year awards amounted to \$10,214,000 and the \$1,073,000 by which these exceeded the revenue from the 1% levy was charged to Department of Agriculture Vote 175e.

On December 13, 1963 the parliamentary Committee on Privileges and Elections recommended the appointment of a Commission to inquire into payments made under the Prairie Farm Assistance Act relative to the 1962 crop year. Accordingly, a Commission of Inquiry was established by Order in Council P.C. 1963-1896 of December 21, 1963 and reported its findings on June 10, 1964.

The Public Accounts Committee at its meeting on June 4, 1964 was informed of the limited audit performed by the Audit Office of the expenditures of the Fund in recent years and was assured that, with an improvement in the staff situation, an annual examination would be undertaken in future. Accordingly, a test examination of the accounts was made for the year ended March 31, 1964. In our opinion the following matters which have financial consequences arising from the application of the provisions of the Act require serious consideration.

A Board of Review is established by the Act to examine all information and data regarding the average yield of wheat in any township and to determine the