

This is to permit a standard pricing to be used for all the units of the same kind in that account regardless of what the price was when they were acquired—a sort of averaging. If, as a result of the adoption of standard pricing, the result is a marginal profit on a particular item when it is charged out to a particular Department of Transport consumer use program, this vote wording permits that margin of profit, so-called, to be carried in the revolving fund rather than having to be extracted and returned to the Consolidated Revenue Fund.

Senator GROSART: What happens to amounts retained when the vote runs out?

Dr. DAVIDSON: If there were any evidence that the amount in this revolving fund were rising above the limit authorized for the revolving fund, it would be drained off to the Consolidated Revenue Fund; but this wording is really to enable them to set off the pluses against the minuses in order to balance off the cost.

The CHAIRMAN: Are there any further questions?

Senator ISNOR: Dr. Davidson, you use three words there—"Loans, Investments and Advances." Would it not be just as easy, from a bookkeeping point of view, to separate those—"Loans, Investments and Advances"? There are three distinct classes.

Dr. DAVIDSON: Certainly, I think it would be easy enough to separate out the advances, which are essentially this revolving fund kind of thing. I am not so sure I would want the job of deciding what is a loan and what is an investment.

Senator ISNOR: That is the very thing I had in mind.

Senator GROSART: Are you always sure of the distinction yourself, Senator Isnor, between "Loans, Investments and Advances"?

Senator ISNOR: From a business point of view, I know what you charge off if you are in doubt.

Senator GROSART: Then you argue with the income tax people!

Senator DESCHATELETS: It is an "investment" when the money comes back.

The CHAIRMAN: Are there any further questions?

It is purely a matter of the study of these Estimates and we do not report back to the Senate on them, but we can always take them up in dealing with the general report on the Estimates. So, on your behalf, I thank Dr. Davidson again for the great help that he always gives us in these matters, and a motion to adjourn would be in order.

The committee adjourned.