

Committees are regarded as portions of the House and are limited in their enquiries by the extent of the authority given to them, but governed for the most part in their proceedings by the same rules which prevail in the House. B.464.

Then paragraph 665, page 195 reads:

Until the report and evidence have been laid upon the table, it is irregular to refer to them in debate, or to put questions in reference to the proceedings of the committee. M.440.

After that committee has made its report I do not see why it should not be brought up here providing it comes within our terms of reference. But the second reason why we think it is out of order is because Mr. Nicholson has relied on item 8 of Mr. Sellar's report to show that it is within our authority. Now, the comment of the Auditor General contained in item 8 of his report refers to certain advances made from the consolidated revenue fund by the Minister of Finance to the Canadian National Railways. The Auditor General suggests that the provisions of the Canadian National Railways Financing and Guarantee Act 1948, under which these advances were purported to have been made, are not retroactive and that, therefore, a portion of the advances authorized by Order in Council P.C. 805 of February 26, 1948, are irregular.

It is submitted that the Auditor General's remarks are a comment on funds disbursed by the Department of Finance and have no bearing on the method of audit of the accounts of the Canadian National Railways; and that, on this ground also the motion should be ruled out of order.

So, as I said, we will let the matter stand in abeyance for the present and in the meantime I will consult the law officers of the Crown and, if necessary, the Clerk of the House; but at the moment I do not think it comes within our terms of reference.

Mr. BURTON: Then we can leave the matter in abeyance for the present.

The CHAIRMAN: Yes, and I will bring a further report to the committee at a later stage.

Now, gentlemen, we have Mr. Sellar with us this morning and I suggest that we permit him to carry on in the customary way, to present his brief without interruption; then we will go back over it item by item for a full and complete discussion.

Watson Sellar, Auditor General, Called:

Mr. SELLAR: Mr. Chairman and gentlemen, the instructions I got were to bring with me a memorandum on such items as I consider to be important, and that allowed me some discretion in the selection of material. What I regard as being important are those transactions which might be regarded as the accounting control of the House of Commons over public funds; therefore, what I am submitting to you this morning pertains to that phase of the audit which was the big phase of the last year. I have prepared a memorandum and if you will permit me to I will just read it to you.

Mr. SELLAR:

1. The accounts of the government of Canada are competently maintained. Paragraph 2 of the audit report draws attention to the volume and diversity of transactions and throughout the report notice is directed to various administrative practices and procedures. The reason is that I am of the opinion that a gap would be filled were some rulings or directions given by the Public Accounts Committee to the end that the influence of parliament goes beyond the grant of money or the right to levy taxes. Paragraphs 7, 9, 11, 15, 27, 70, 74 and 78 touch on questions of administration which also have elements of interest to the legislative side. In this submission I propose adding explanations to the texts of paragraphs 3, 4, 30-35, 91 and 94, because the interest is