

I would be very much interested in knowing what members of the Committee feel about this.

Mr. BALDWIN: I was not intending to suggest that this Committee can overlook a practice which, in this particular instance, seems to fly in the face of what is a statutory requirement. I am thinking on the general policy.

I agree with you in that I do not think that the particular issue was consciously before the members of the House of Commons in sufficient numbers to justify our saying, after due consideration and having in mind the pros and the cons, that the House of Commons passed the estimates in the face of the recommendation of the Public Accounts Committee. I do not think that is correct at all. However, assuming that this is going to become a question of policy and determination, I was wondering if there was any intermediate ground where, in order to satisfy accountants' requirements, there could be a separate class of loans established? Mind you, I meet my own argument by saying that it would look very peculiar if you had a special category of capital grants by way of loans; it would not look too well; but this is the sort of thing I have in mind. Is there any possibility that it could be worked out?

Mr. HENDERSON: I would be happy to give that some thought, but, offhand, if I lend money to somebody who cannot pay it back I do not have much of an asset.

You will remember that in, I think it was, 1958, or when the new Broadcasting Act came in, the Canadian Broadcasting Corporation owed the government something like \$27 million, and that all had to be written off at that time. Here, of course, they are being amortized a little more skilfully by giving them the capital in the operating grant to make payments. I would say that they are set up in a better way than they were in the years previous to 1958.

I do not think I have any more comments, Mr. Chairman, unless it is something that has—

The CHAIRMAN: Mr. Muir has a question; and perhaps Mr. Bryce would follow.

Mr. MUIR: Mr. Chairman, did I correctly understand Mr. Bryce that he said that this procedure was used for all Crown corporations. Is that right?

Mr. BRYCE: It is the procedure, sir, that has been followed in a number of these Crown companies, which include now the National Capital Commission, the CBC, this town of Oromocto, and, in effect, I suppose, the Expo Corporation will turn out to have been much the same.

An hon. MEMBER: But not the St. Lawrence Seaway? That was different.

Mr. BRYCE: No; that was different.

Mr. MUIR: This is treated differently from the CNR deficit?

Mr. BRYCE: Yes, sir.

Mr. MUIR: Why?

Mr. BRYCE: I am not sure that it is essentially any different, but the origin is so vastly different that I would hate to suggest that it was part of the same.

Mr. H. R. BALLS (*Department of Finance*): I think it is essentially the same as the treatment of the CNR deficit in that the amount that Parliament votes to reimburse the CNR for its deficit does include both operating and other debts.