

because of the growing volume of need for funds to advance to Indians under proper security arrangements.

Senator McCUTCHEON: Which is really an amendment to the legislation?

Dr. DAVIDSON: That is correct. I might just add that since 1938 some \$2.8 million had been loaned to individual groups of Indians, and the collection experience has been one I think members recognize as being exceptional, that only 2.94 per cent had to be written off in that period.

Senator McCUTCHEON: I am not questioning the purpose or validity, but in this particular item, at least, you are amending the statute by an item in the estimate?

Dr. DAVIDSON: That is correct.

The CHAIRMAN: I suppose section 69 might not necessarily bind the Crown, in any event?

Senator McCUTCHEON: It makes it clear that it does not, anyway.

Dr. DAVIDSON: I should not have misled you, Mr. Chairman. It is not section 69 that deals with limits on the credit; that is section 88. If I am right, section 69—and I cannot recall specifically—does include the stated amount of \$1 million as the upper limit of this.

Could I go on and give some additional examples of what this one-dollar item sometimes covers? I would like to refer to an interesting one, because it presents a special problem, on page 13, under Mines and Technical Surveys. The item I refer to says:

Vote 15d—Administration, Operation and Maintenance—To extend purposes of Mines and Technical Surveys Vote 15 of the Main Estimates for 1965-66 to permit oceanographic and hydrographic ships to carry out work in extraterritorial waters during the fiscal years 1965-66 and 1966-67, notwithstanding the Department of Mines and Technical Surveys Act.

Here again, I think Senator McCutcheon might raise the point, is this an amendment to the legislation? Here is the situation. We have an oceanographic and hydrographic ship, whose job it is obviously to carry out oceanographic and hydrographic explorations for Canada in Canadian territorial waters. Its main purpose is to do this, and in fact it does so during the winter months when it is not so busy, as Senator Flynn, who was minister, knows. To make constructive use of this vessel it has been the practice for a number of years for this vessel to be sent down to southern waters for the purpose of training new recruits, and for the purpose of keeping the ship active and exercised.

Some question has been raised in the last Auditor General's report, or the one before that, as to whether this is a use of funds to finance this operation which was not intended by Parliament and not within the scope of the Mines and Technical Surveys Act. Now, we have the option. Either we put the ship up for the winter, beach the crew and have them sitting on their hands doing nothing, because we have to keep them together as a crew until next year, or we have to make some sensible and working use of the crew and the ship during this period. The purpose of this is to make it possible to allow the ship to do what it has done for a number of years, which the Auditor General says is borderline as far as the law is concerned, and the purpose of this one-dollar vote is to accomplish that objective.

This came to our attention only in December when the Department of Mines and Technical Surveys requested advances on behalf of its crew members prior to setting off in January; and while in theory, presumably, we should have said, "No, you must wait until we have an Act by Parliament," we thought this was the only practical course of action to take in the circumstances and that is why the one dollar is in the estimates.