

Meanwhile, Crown companies and Crown agencies of one sort and another have come to have a much greater importance, and we have been led to treating some of the funds that have been turned over to Crown companies as loans rather than grants because of administrative and accounting reasons. This has been questioned by the Auditor General and it has been questioned by members of the Public Accounts Committee. I think it was questioned in regard to the C.B.C. by members of this committee at one of your previous meetings.

The CHAIRMAN: That is right.

Mr. BRYCE: I would not propose to go into this at length today, but I would suggest that this is a subject that the committee might in another year care to look at. Meanwhile, we are giving some study to the department to care to look at. Meanwhile, we are giving some study in the department to seeing if we can get a clearer test as to what assets we will show, in the sense that we would treat in our estimates that we put before Parliament the amounts to be advanced for those purposes as loans and investments rather than expenditures proper.

Senator BAIRD: Doctor Bryce, would you agree that the recommendations there are not up to your expectations; that they were not as good as you thought they might have been?

Mr. BRYCE: Not as good as we had hoped for when the commission was set up?

Senator BAIRD: Yes.

Mr. BRYCE: That is a question that stops one and makes one try to think. I would say, sir, that I was not disappointed. I have read the whole five volumes of the report, and I felt that the commission did some very valuable work. I thought it got to the heart of the matter in regard to the first four reports in its so-called plan for management. In other words, the commission was urging us really to give primary attention to the way in which we managed the public service rather than just to particular prescriptions for this and that, and I think that that is a sensible thing.

Senator O'LEARY (*Antigonish-Guysborough*): With respect to the last item on which you were speaking do you feel that when you finally evolve some way of complying with this recommendation it will be a matter of classifying these into groups, that is, the Crown companies, on the basis of past experience plus what you can predict fairly safely? Do you think this will be the basis for accepting the recommendation in part?

Mr. BRYCE: It may be, sir, but I would not like to be too categorical. I would cite one example about which there is a good deal on record now. For more than two years, and preceding the time I became Deputy Minister of Finance, we have had a running dispute with the Auditor General and the Public Accounts Committee over how we treat the loans made to the National Capital Commission to acquire property in the green belt. We hold there many millions of dollars worth of property in order to control its use. It is very valuable property that has cost us \$30 million or so. I am convinced, and I think most of those who have looked into the matter are also convinced, that over the long term this will be a very good investment for the Government of Canada. In the meanwhile, however, it costs us something each year to hold that property in the restricted uses for which it was set up, because we can only lease it for those restricted uses at less than the interest on what we paid for it.

This was done deliberately by Parliament. It was specifically provided in the National Capital Act that the Commission can do this. Of course, the appropriations for loans for acquiring this property were passed by Parliament on the understanding that this was the purpose. I think this is a very