

The whole point here is that there is a danger in writing off an account when the person concerned does not know that they owe that money, and when the person does not know that action was taken on their behalf.

Mr. BALLS: I have referred to this, Mr. Chairman. This is the policy consideration which it was suggested should be dealt with by Dr. Davidson, the secretary to the Treasury Board, at the meeting next week. I spoke to Dr. Davidson and he said he would like to speak to this point.

The CHAIRMAN: All right. We will leave it for further reference.

We will have to adjourn at this point.

Gentlemen, we will finish with the Department of Finance this afternoon. There will not be any problem in completing it. I understand the witnesses are agreeable to attending, and the Committee will adjourn until approximately three-thirty.

The meeting is adjourned.

AFTERNOON SITTING

• (3.30 p.m.)

The CHAIRMAN: Gentlemen, we recessed at 1 o'clock and we will now proceed from where we left off, namely page 50 of the 1964 Auditor General's report, section 3, which has to do with the Department of Finance, unpaid accounts carried forward to new fiscal year:

DEPARTMENT OF FINANCE.—The 1963-64 Supplementary Estimates (E) included an additional amount of \$2,800,000 (Vote 45e) for payment of municipal grants. This amount was insufficient to cover the remaining grants which were approved for payment in the fiscal year 1963-64 and grants totalling \$806,503 had to be carried forward for payment in 1964-65.

Mr. HENDERSON: The only item for discussion here is subheading number 3. The other items were discussed in the committee on May 12.

Subparagraph 3, dealing with the Department of Finance, was a case where appropriations for 1963-64 were insufficient to meet accounts coming in for payment that year. As you know, bills such as this cannot be paid if it results in expenditures being made in excess of available appropriations. However, as you discussed and will recollect, difficulty in estimating requirements is often a factor. We do have to recognize that the incurring of such obligations is tantamount to the overspending of appropriations and, therefore, it cannot be dismissed lightly.

When this matter was discussed on May 12, the suggestion was made that it might be more informative to members and to the public if the public accounts were to include a listing by departments and appropriations of all amounts remaining unpaid at the year end for any reason whatsoever, this should not