

APPENDIX

(See p. 112).

THURSDAY, 22nd March, 1973.

The Standing Senate Committee on National Finance, to which were referred Supplementary Estimates (B) laid before Parliament for the fiscal year ending March 31, 1973, has in obedience to the order of reference of Tuesday, 13th March, 1973, examined the said Supplementary Estimates (B) and reports as follows:

Witnesses heard by the Committee were Mr. A. Kroeger, Deputy Secretary, Program Branch, Treasury Board, and Mr. R. L. Richardson, Director, Industry and Natural Resources Division, Treasury Board. These Supplementary Estimates total \$434,835,454 of which \$109,794,020 are non-budgetary items, that is to say, loans, investments or advances. The total Estimates for the fiscal year ending March 31, 1973 are increased to \$18,216,731,025. Of this amount \$1,717 million were non-budgetary items, leaving budgetary expenditures of \$16,500 million. This figure differs from the figure of \$16,300,000,000 which the Minister of Finance used for actual budgetary expenditures in his recent budget speech. This difference of \$200 million is accounted for by lapses between estimates and expenditures and is in accord with the rate of lapse in recent years of between 1½ to 2%.

The Committee examined various items contained in these Supplementary Estimates and received answers to their questions from the Treasury Board officials. In the case of six items, answers were not immediately available and the Treasury Board officials agreed to provide material as soon as possible. The questions for which answers are to be supplied are as follows:

1. Industry, Trade and Commerce—Vote L16b—

What are the terms of the loan of \$14,004,000 to Canadair Ltd. for the financing of water bomber aircraft?

2. Public Works—Vote L30b—

To whom is the loan covering the construction of an oil refinery terminal wharf at Come-By-Chance, Newfoundland, made and who is responsible for its repayment?

3. Industry, Trade and Commerce—Vote 1B—

Under Appropriation Act No. 1, 1968, insurance under the Adjustment Assistance Program could be provided "to manufacturers". In these Supplementary Estimates the assistance is provided to "a person engaged or about to engage in a manufacturing enterprise in Canada". What is the reason for the change in terminology?

4. What was the cost of NORAD for each of the fiscal years ending March 31, 1972 and March 31, 1973?

5. In the matter of dredging and the construction of wharves, what is the division of responsibility be-

tween the Department of Public Works, the Ministry of Transport and the Department of Environment?

6. National Health and Welfare—Vote L16b—

In the Appropriation Act of 1966, this item was a budgetary appropriation and in these Supplementary Estimates is referred to as a loan. When and why was the change made?

The Committee examined the relationship of Polymer Corporation, the Canada Development Corporation and the Government and discussed with the Law Clerk and Parliamentary Counsel and the witnesses how the Canada Development Corporation is required to report its financial results. It appears that the Canada Development Corporation is not a Crown Corporation and therefore its financial reports are not required to be made to Parliament by either the Financial Administration Act or the Canada Development Corporation Act. As the government is presently the sole shareholder in the Canada Development Corporation, your Committee recommends that the Minister responsible table its financial statements annually.

The Committee examined several programs that involve Parliament giving authority to the Treasury Board to expend certain amounts on terms and conditions approved by the Treasury Board. For example, the loan to Canadair Ltd. for the financing of water bomber aircraft is made in accordance with terms and conditions approved by the Treasury Board. The Committee wished to know what control Parliament maintains over the manner in which these expenditures are made by Treasury Board. The Committee was informed by the Law Clerk and Parliamentary Counsel and the witnesses that there is no provision under the Financial Administration Act for a report to be made to Parliament on the manner in which previously approved appropriations are spent where the Treasury Board is given control over the terms and conditions of the expenditure. Such matters may be examined by specific questions arising out of Committee hearings.

The witnesses filed an explanation of the \$1 items contained in these Supplementary Estimates (B). This is a vote category discussed in previous committee reports and for which a description and explanation are now regularly provided by the Treasury Board to the Committee. This is appended hereto. The \$1 items included in these Estimates have been grouped in the attached schedules according to purpose.

A. One Dollar items authorizing the deletion of debts due the Crown—four items.

B. One Dollar items for grants—five items.

C. One Dollar items authorizing transfers from one vote to another—eight items (includes one item for