

APPENDIX "PA-80"



Secretary of The Treasury Board / Le Secrétaire du Conseil du Trésor

June 5, 1978.

Mr. A.R. Huntington, M.P.,
Chairman,
Standing Committee on
Public Accounts,
House of Commons
K1A 0A6

Dear Mr. Huntington:

This letter is in reply to a question put by Mr. C.L. Francis in your Committee on June 1, 1978, concerning the purposes and authority for a transfer of \$500,000 from an E.M.R. allotment for tidal power study in 1975-76.

The history of this case is as follows:

1. October 20, 1975: By T.B. 739295 approval was given to E.M.R. to include an item of \$750,000 in Supplementary Estimates (A) 1975-76 for Canada's share in 1975-76 of a joint Canada-N.B.-N.S. feasibility study of tidal power in the Bay of Fundy. The study was expected to take two years. These funds were subsequently approved by Parliament in Supplementary Estimates (A) 1975-76.
2. December 15, 1975: By T.B. 740475, approval was given to E.M.R. to include an item of \$973,000 in Supplementary Estimates (B) 1975-76 for an expansion of the federal energy R&D program, particularly in the areas of oil sands and coal. This sum was made up of operating requirements in addition to capital for laboratory equipment.
3. Spring, 1976: Due to a late start of the tidal power study, it had become clear that the projected requirement in 1975-76 for that project would be less than \$250,000. Parliament was therefore not asked to vote additional funds through Supplementary Estimates (B) for energy R&D, the requirement being met by internal reallocation and by a transfer of the surplus \$500,000 from the tidal power allotment. This allotment transfer was approved by the Treasury Board on March 4, 1976 (T.B. 741495) consistent with Section 24 of the Financial Administration Act.

Yours sincerely,

Maurice LeClair.