be inclined to utter a word of caution on that. If we once start including such text in the Estimates book it will be full of commercials. It seems to me it is better to stick to the figures.

The next recommendation is that improvements be made in the public accounts to eliminate unnecessary detail and to explain variances between actual and estimated expenditures. This is now being worked out by a sub-committee of the Public Accounts Committee, as Mr. Balls explained to you, and it certainly carries the approval of the Department of Finance.

The next and more contentious recommendation, so far as I am concerned, is the one on page 112 that the statement of assets and liabilities be replaced by a separate accounting for outstanding debt, direct and indirect, with no reference to net debt.

The effect of this recommendation would be to do away with the distinction we make in the Estimates between loans and investments on one hand, and expenditures on the other. For example, if we asked Parliament to approve a loan, let us say, to Central Mortgage and Housing Corporation for purposes of making mortgage loans on housing, that would not be distinguished at all from an appropriation for an ordinary expenditure. The Glassco Commission which, of course, included some very distinguished accountants, had very little good to say about our statement of assets and expenditures that appears in the public accounts. I myself feel that there is more usefulness than they suggested to it. Perhaps I can illustrate it.

It seems to me that to state what our liabilities are, what our debt is, without taking into account, for example, the fact that we have two and three-quarter billion dollars worth of foreign exchange among our assets is to neglect a matter of quite considerable importance. In the year ending March 1963 we had $820 million in Canadian dollar cash of one kind and another, and we had $2¾ billion of foreign exchange. We had a wide variety of other assets. I would have thought that we should show in some kind of way in the public accounts things that are such clearly good assets as that. The real argument comes down to how we are going to treat some of our other assets about which there is more room for argument.

Senator Power: Such as loans to harbour commissions, and things like that?

Mr. Bryce: Exactly—loans to harbour commissions that are really not paying their way. I think everybody knows we have a problem as to what is shown in our balance sheet in regard to the Canadian National Railways. The Government has announced several times its intention to bring before Parliament at some stage a bill to provide for recapitalization.

Our investment in the Bank of Canada yields us an enormous return every year. I would hate to leave it out of the balance sheet entirely. Our investment in Polymer Corporation is clearly a valuable one, and should not be neglected.

On the other hand, some of our loans and investments are to Government enterprises that are dependent upon appropriations to meet even the interest, in considerable part, as well as the repayment of principal. There is a number of problems here which we recognize.

When I testified before the Public Accounts Committee several months ago I said that we would be prepared in another year or two—I suggested we not do it next year because we are going to be so busy with provincial matters—to bring forward some proposals for the consideration of the Public Accounts Committee, and this committee if it is so interested, as to what principles ought to guide us as to what assets we show on our books and how to treat them. The practices we follow have evolved over the years since Sir Henry Drayton set up certain general principles away back in the early twenties.