

Mr. SELLAR: They have made interest payments.

Mr. McMILLAN: Why is there a variation in the return of investments, and do interest payments from foreign governments have anything to do with the variation? Evidently they are down in 1957-58, but the return from investments is the highest in 1956-57 of any year. Why is that?

Mr. SELLAR: Because of the large amount received from the Bank of Canada on account of their changing their method of valuing their securities. You will also notice that the Canadian National Railways that year had a surplus of \$30,800,000.

Mr. HELLYER: What were the terms of the loan made to India last year?

Mr. SELLAR: I do not have them with me. I would have to get them for you.

Mr. DRYSDALE: Might I have some assistance from Mr. Sellar on the matter of revenues, as to the extent they are deducted monthly on a cash basis?

When we look at the income tax statement and see that figure, does it represent the amount that has actually been collected, or does it include bills sent out to people for their income tax? And if not, where is the amount shown that is not collected yearly on income tax? Being a practical man, I recognize that everybody does not pay his bills. So how is that shown?

Mr. SELLAR: The amount shown is the cash actually received.

Mr. DRYSDALE: Are all the subsidiary corporations computed on a cash or on an accrual basis?

Mr. SELLAR: On an accrual basis. The federal government, however, is on a cash basis. We go on the accrual basis in expenditures so far as interest on the public debt is concerned. We accrue interest to March 31 on the expenditure side.

Mr. DRYSDALE: Having regard to that specific item of \$2,798,900,000 for income tax what part of it was uncollected in 1957-58. Does that actually represent all?

Mr. SELLAR: That represents what was collected.

Mr. DRYSDALE: Could I find out what we have not collected?

Mr. SELLAR: I do not think you will find it in the public accounts.

Mr. DRYSDALE: You have no idea what percentage was not collected?

Mr. SELLAR: No, I have not. My men would know, but I do not.

Mr. DRYSDALE: Why is that not shown?

Mr. SELLAR: Well, I do not prepare the public accounts, so I shall not try to pass the buck. But it may be in the departmental report for all I know. I would like to verify it and let you know at the next meeting.

Mr. DRYSDALE: How are they written off? Is it done every five years, or what?

Mr. SELLAR: What the department does is this: it applies to treasury board for consent under a section of the Financial Administration Act to defer efforts to collect a bad account. That consent having been given, in due course an item is put in the estimates listing the amounts and asking for authority to write them off.

Parliament alone has the authority to write off any debt due to the crown. So you will get an item in the estimates some time for a write-off of that debt.

Mr. DRYSDALE: Is there not provision made for items of less than \$500 that you could write off yourself, departmentally?

Mr. SELLAR: No. The difference between \$500 and the larger sum is in the period of time for which you are supposed to hold off before you go to parliament. That is in respect to this amount of less than \$500.