

31. The Committee requests the Auditor General to continue to keep the development of this objective under close surveillance and to report thereon to the Committee in due course.

Board of Grain Commissioners

32. In its Fifth Report 1961 the Committee had stated that it felt concerned that in each year since 1953-54 the expenditures of this activity had exceeded its revenues by more than \$1,000,000 and the Committee recommended "that steps be taken to bring revenues and expenditures into balance".

33. The Committee, noting that the Deputy Minister of Agriculture had stated that he is exploring with the Board the extent to which steps can be taken to reduce the present disparity, requested the Auditor General to keep this matter under review and to report thereon to the Committee in due course.

Subsidies

34. The Committee noted the recommendation contained in its Fifth Report 1961 that a study be made of the various classes of subsidies or payments in the nature of subsidies that are provided directly or indirectly out of public funds and requested that the Minister of Finance prepare such a statement in due course.

35. Consideration was given to a listing prepared annually by the Treasury Board officers for the information of the Board showing the provision in the Estimates for grants, subsidies and special payments for the period 1959-60 to 1962-63, inclusive. The Committee requested that the figures on this listing be brought up to date by the officers for consideration by the Committee at a subsequent meeting.

The Canada Council

36. In its Fifth Report 1961 the Committee noted that it had been informed that profits realized and interest earned on the University Capital Grants Fund had not been allocated to the provinces or to the universities and recommended that the Council seek to conclude this matter without further delay.

37. The Committee was informed by the Chairman and members of the Council that the Council, following advice from legal counsel, proposed to accept the 1956 census as a basis for distribution of the accumulated profits and interest earned, and also to accept the 'hotch-pot' or trust fund approach for this distribution. Having been informed of the doubts expressed by the Auditor General and other legal counsel as to the propriety of the foregoing under subsection (2) (b) of section 17 of the Canada Council Act the Committee has postponed further consideration of this matter until the next session.

38. At that time consideration will also be given by the Committee to its 1961 recommendation concerning the Council's need for increased resources for purposes of its work.

AUDITOR GENERAL'S REPORT, 1961-62

39. Your Committee considered, paragraph by paragraph, the Auditor General's Report for the fiscal year ended March 31, 1962, up to and including paragraph 74 on page 28, as well as paragraphs 84, 114 and 140. As a result of this consideration, the Committee makes the following comments and recommendations:

Summary of Employees authorized for the Public Service by Departments, Crown Corporations and Other Instrumentalities (Paragraph 5 and Appendix 6)