

38. The Committee was informed by the Auditor General of the action that had been taken by the Department of Transport in recent months, and learned that the matter is currently in abeyance pending receipt by the Department of an opinion of the Department of Justice with regard to the contention of the Province that payment is not due until the final cost of the project has been determined. This, therefore, is another matter regarded as in abeyance by the Committee.

#### *Recovery of Debts Due to the Crown by Diversion of Part of Pension*

39. The report (paragraph 43) noted that instances had been observed where amounts were being withheld from current pension payments under section 38 of the Pension Act, and applied in reduction of debts arising from previous overpayments.

40. Having regard for the fact that section 38 of the Pension Act permits the award only of an amount necessary to provide a maintenance, the Committee's view is that it is inconsistent to recover debts from these pension payments. The Committee feels, however, that the Canadian Pension Commission should exert every reasonable effort to ensure, through appropriate investigation, that improper payments are not made. Where public money is irregularly paid out in instances such as these, the effort to recover might properly be limited to the earned income and the assets of the debtor. The Committee favours any uncollectible amount remaining being reported for write-off action under section 23 of the Financial Administration Act or other statutory authority.

#### *Inactive Loans and Investments*

41. The Committee noted the reference in the report (paragraph 58) to the balance due in respect of loans made to Greece and Roumania, outstanding in the amounts of \$6,525,000 and \$24,329,000 respectively.

42. In 1919 a credit was extended to Greece in order to facilitate the purchase of Canadian goods and about \$7.5 million of this credit was utilized. At the end of 1922, interest due and unpaid exceeded \$600,000 and, in 1923, the debt was consolidated with Greece depositing with Canada a special bond issue in the amount of \$8 million. Semi-annual payments of principal were to retire the debt by 1948. The principal sum was reduced to \$6,525,000 by 1931 when it was agreed that, due to the existing worldwide economic crises, demands for payment of principal and interest would temporarily be suspended. No payments have since been made.

43. In 1919 a credit was extended to Roumania under authority of the Demobilization Appropriation Act, 1919, to enable Roumania to purchase Canadian goods and about \$20.5 million was utilized. In 1922 the debt was consolidated with Roumania depositing with Canada a special bond issue amounting to \$23,969,720 to cover principal and overdue interest. A further bond issue of \$359,542 was received later to cover an interest payment, bringing the total debt to \$24,329,542. The principal is not payable until 1968. Interest is payable at 4 percent but no interest payments have been received since 1939.

44. The Committee is of the opinion that the current status of these loans should be reviewed.

#### *Share of Loans to Fishermen*

45. The Committee noted the reference in the report (paragraph 68) to amounts representing Canada's share of loans made in 1953 to lobster fishermen through the governments of Nova Scotia (\$121,978) and Prince Edward