

EVIDENCE

FRIDAY, December 13, 1963.

The CHAIRMAN: Gentlemen, I see a quorum. We will open the meeting. Before we start with the business I have an announcement to make.

I am very happy to say that the subcommittee on the form and contents of the estimates, under the Chairmanship of Mr. Wahn, has completed its report, which is now in my hands, which will be dealt with at the first meeting in camera when we come to consider the report which the committee will be submitting.

The subcommittee did a great deal of work at nights with the co-operation of Mr. Henderson and Mr. Steele, and they are entitled to considerable credit.

Today will be our last meeting because on Monday I am assuming that we will be meeting in camera to consider the report of the subcommittee and also our own report dealing with other matters we have considered. This is a condition precedent to having the report completed and reporting to the house before prorogation. I hope today we can complete the assignment we have set ourselves and which will include hearing from Mr. Bryce on the several items which were mentioned before, and of course, any questions and comments by the members of the committee.

As it appears now, we will be winding up today and we will meet on Monday, at the usual time, but in camera to consider our report.

As you know, Mr. Bryce was here before and we are very happy to have him back today to complete the comments he wishes to make. We have dealt with paragraphs 62 and 63 in the Auditor General's report. There was one matter with which we did not deal because Mr. Bryce was not aware it was to be discussed last Friday and it was stood; this was from the follow-up report of the Auditor General, and you will find it at page 16 of the follow-up report. This deals with the question of advances to the exchange fund account. I am going to ask Mr. Bruce if he will be good enough to comment on this. Having disposed of this item, we will then move on to consider items 64 to 68 inclusive, which are the other items in the main report of the Auditor General with which Mr. Bryce is concerned.

Mr. Bryce, will you deal with this question so far as you are able to at this time in regard to advances to the exchange fund account.

Mr. R. B. BRYCE (*Deputy Minister of the Department of Finance*): Perhaps it would be helpful if members took note for a matter of information, of paragraph 141 in the Auditor General's report which is before the committee, since that supplies up to date information which bears on the paragraph in the follow-up report. We have looked into this matter in the department fairly extensively, if not conclusively, as a result of the Auditor General's observation in his reports and his follow-up reports and particularly, of course, as a result of the paragraph in the public accounts committee report, to which reference is made in the follow-up report and in paragraph 141 at the bottom of page 76 in the main report.

I find that a draft report had been prepared in 1962 and approved by the minister of finance at the time and approved early in 1963 by the then minister of finance, but it had never been presented to the committee so there had been no discussion of it in the committee in 1962 or in the earlier session in 1963. In the meantime the situation has been overtaken by the change in the exchange