

*Financial Administration*

authority of parliament, I submit that means that parliament has the right to know in advance, before it approves the amount that will be made available to the government, exactly what the purpose is.

**Mr. Adamson:** I should like to ask one or two questions of the parliamentary assistant, so will the chairman call it one o'clock?

At one o'clock the committee took recess.

The committee resumed at 2.30 p.m.

**The Chairman:** When we took recess at one o'clock we were at section 24. Shall the section carry?

**Mr. Macdonnell (Greenwood):** Mr. Chairman, the hon. member for York West said he had one or two questions to ask. He is not here yet. Might that section stand over?

**The Chairman:** Shall the section stand?

**Mr. Sinclair:** Stand.

Section stands.

Sections 25 to 35 inclusive agreed to.

On section 36—*Accountable advances*.

**Mr. Wright:** Subsection 3 of this section reads as follows:

The comptroller may recover any accountable advance or any portion thereof that is not repaid or accounted for as required by subsection two out of any moneys payable by His Majesty to the person to whom the advance was made.

As a general principle, I think this is a perfectly sound one, namely the principle that moneys owing to the crown should be recoverable out of money which the crown owes to the subject. I want to point out, however, that even a good principle can go too far. As to this particular subsection, questions were asked in the committee and it was determined that money could be recovered out of old age pensions, out of children's allowances, out of dependents' pensions and compassionate pensions paid under the Pension Act. That is a good principle, I think, where the moneys are owed because some false statement has been made in the obtaining of that money. But the principle can be carried to a point where it will work a real hardship on some people. I want to give an instance of where this might occur.

In western Canada, from 1906 on to 1912 or 1913, numbers of seed grain advances were made to settlers. Many of these seed grain advances were never paid. There is set up in the department a board which reconsiders these old debts. I have had occasion to take certain cases before that board and have

[Mr. Drew.]

found that the board has been most considerate. But in some of these cases those old advances have now multiplied to such an extent that they are three times the amount that was originally owed. Interest has been compounded for thirty years on some of these debts.

In taking a case before that board, I have found that they have considered the assets of the debtors as at today, and that they have made reasonable settlements in cases where these debts have been taken before them. But these old-timers who settled in the west have now an added asset in their old age pensions, and that added asset may be added to their total assets in order to determine the amount of the loan which is repayable, if this particular section is to be applied as it reads here. If it is not to be applied as it reads here in the section of the act, some amendment should be made either in this act or—and I think this would be preferable—the Old Age Security Act.

The Minister of National Health and Welfare certainly gave us to understand that when this old age pension became payable, it would not be attachable from any source. Now the crown can attach the old age pension through this section. Not only can the crown attach the old age pension but they can attach, for money owed to the crown, family allowances. If this particular subsection 3 of section 36 is to stand, I certainly think some amendments should be made to the Family Allowances Act, the Old Age Assistance Act, the Old Age Security Act and the Pension Act where it applies to dependents' allowances or compassionate allowances.

**Mr. Sinclair:** Mr. Chairman, the present discussion is appropriate under section 95, subsection 1. This section 36 is only as to regulations for the recovery of accountable advances made to persons in the public service. Section 95, subsections 1 and 2, is the section on debts due to the crown, and also there is provision there for the collection of old debts. Therefore if we let the matter stand until we get to section 95, I will speak to it then.

**Mr. Wright:** What about the seed grain loan? They are advances.

**Mr. Sinclair:** The seed grain loans or advances are not advances in this sense, that of being accountable advances made to a civil servant, for example, for travelling expenses, which he has to account for at the end of the year. That is section 36 which we are now discussing. But section 95, debts due to the crown, is the section which covers the remarks made by the hon. member, and