

Special Charge to National Defence Expenditure, for Cloth Inventories

30. The Committee inquired regarding the results of the departmental survey of these inventories, to which reference was made in the report (paragraph 36), and was informed that Executive authority had been provided for the declaration as surplus, through Crown Assets Disposal Corporation, of 3,755,000 yards of cloth regarded as being in excess of an estimated five years' requirements.

31. The Committee recommends that consideration be given by the Government to whether surpluses such as the foregoing could be made available for areas of international disaster, or for distribution through relief agencies and relief camps.

Unpaid Accounts Charged to New Fiscal Year

32. The Committee was concerned at learning of a case (paragraph 38 of the Report) where the Department of National Health and Welfare had failed to request the inclusion of an item in the supplementary estimates for 1958-59 to cover anticipated additional expenditures, with the result that invoices totalling over \$100,000 and relating to goods delivered and services rendered up to March 31, 1959, were carried forward as a charge to 1959-60. The Committee learned from an officer of the department that this had been the first time such action had been taken, and was given assurance that a similar situation would not be permitted to arise in the future.

33. The Committee feels that an important question of principle is involved. Public Accounting is on 'cash basis', each year complete in itself and balances in votes lapsing at each year-end. Parliament, therefore, is entitled to assume that the Parliamentary Votes truly and completely reflect the proposed financial transactions of a year. The vote for sick mariners may present problems in forecasting charges to it, but there should never be distortion by allowing accounts to remain unpaid to the end that they may be used to whittle down an anticipated vote surplus in the next year.

Interest on Temporary Investment of University Grants Funds

34. The report (paragraph 40) noted that income earned on funds invested by the National Conference of Canadian Universities between the receipt of funds from the Minister of Finance, and payment of grants to universities, had been retained by the Conference. This was in addition to the agreed service charges deducted from the grants to cover the costs incurred in carrying out its functions under the agreement with the Minister.

35. The Committee inquired whether, since the agreement made no provision for the disposition of investment income, it should not have been returned by the conference to the Receiver General.

36. The Committee was informed that the matter is currently under review by the law officers.

Recoverable Outlays on Canso Causeway

37. It was noted from the report (paragraph 41) that no payment had been received from the Province of Nova Scotia toward its share of the cost of the Canso Causeway, although April 1, 1957 had been determined by the Minister of Transport as being the "date of completion", under the Agreement with the Province.