

Mr. BRYCE: Yes; they are made pursuant to the regulations that the treasury board lays down and which, of course, embody payments which are authorized.

May I say one thing in respect of the previous question. This does not apply to regular civil servants hired in Canada and then transferred abroad. This applies to employees whom we hire in other countries.

Mr. VALADE: Is there any particular demand for a strict legal definition by either the Minister of Finance or someone in this regard? Is that the purpose of the observation?

Mr. HENDERSON: The purpose of the observation is that it is my duty to bring cases of this type to your attention if I feel parliament's intention perhaps is being circumvented.

Mr. VALADE: I like your word "perhaps".

Mr. HENDERSON: There is no doubt the approach Mr. Bryce described is a realistic one. I have every sympathy that it is in the interest of efficient administration of the public service, which is what the Financial Administration Act calls for.

Nevertheless, in establishing pension arrangements for locally engaged staff abroad they are committing future parliaments. The previous committee said that in such instances they felt legislation was desirable; that is, that you might want to legislate.

Mr. VALADE: Could the Auditor General provide for a certain leeway or a certain margin in this kind of situation? I do not think it is so generalized that it cannot be forecast from year to year, or a year in advance, if you understand what I mean.

Mr. HENDERSON: If you brought in legislation, as you say, it would have to be legislation of a general nature designed to embrace the pension needs of different sets of locally engaged staffs in the years ahead. I think Mr. Bryce mentioned that would be a rather difficult thing to frame and to forecast.

However, I have every sympathy with the point of view advanced by Mr. Harkness and Mr. Crouse on this; that it is a question of getting on with the job in the interest of efficient administration. If that is your view, it would satisfy me.

Mr. VALADE: That is my view.

The CHAIRMAN: If there are no other questions, may we proceed to item 66, which deals with interest charges on loans to the national capital commission.

Mr. BRYCE: Mr. Chairman, I must say that I welcome the opportunity provided by this paragraph. I was one of those who helped to set up this arrangement some years ago. I should have come here equipped with the date, I suppose. I have felt that its purpose and value were not fully understood. I, myself, think it has a value and a sensible purpose; but, I must be careful to remain a neutral civil servant in giving the explanation.

This has been a policy of successive governments, rather than of the national capital commission itself, and I suspect the national capital commission would much rather follow the suggestion of the Auditor General in the final paragraph under this item on page 23; that is, receive the money and not worry about paying interest on it.

By way of background, I might say that the national capital commission buys a good deal of land, not for immediate use, but essentially for one of two reasons: first, to hold pending use, because by the nature of its operations, it has to plan in advance and indicate in advance that it is going to acquire property in certain areas and, if that is the case, over the years it has been found to be prudent and economical to buy that property when the decision is taken to go ahead with plans to use it at a future time.