

Senator STAMBAUGH: We are not actually authorizing any Government money to be spent on this.

Senator CRERAR: We are authorizing obligations.

Senator STAMBAUGH: That they might pay out if it was not paid back.

Senator CRERAR: Certainly, is not that an obligation? Is it not the same as if you do not pay, when I back your note?

Senator STAMBAUGH: But you have not the obligation to back my note. I hope not.

The CHAIRMAN: Might I interject in connection with this point that no money will fall due in the current estimates, so there will not be any actual expenditure. Senator Crerar's point may well be considered when we come to the estimates for 1965-66, when there may be defaults and claims upon the Government under the guarantee.

Senator STAMBAUGH: There may be some loss and then you have to vote the amount of the loss.

The CHAIRMAN: That is right, but up to March 31, 1965 no loans will fall due and there will be no loss. Technically, that is the situation.

Is there any further discussion on the supplementary estimates?

If not, we move on to the Draft Report. I suggest, purely as a matter of convenience to the members of the committee that, subject to whatever you feel about it, I might read through the report and, as I do so, if you notice anything you wish to bring up, you might put a question mark or tick or other comments on your own copies of the draft. Then, when I have covered the report as a whole, we will go back and pick up the questions. I suggest that procedure, because there may be some questions arising, say, in paragraph 4, which are covered in paragraph 10. Does that procedure meet with the approval of the committee?

Hon. SENATORS: Agreed.

The CHAIRMAN: The Draft Report is as follows:

The Standing Committee on Finance to whom was referred the Estimates laid before Parliament for the Fiscal year ending March 31, 1965, report as follows:—

1. On May 20th 1964 the following order of reference was adopted by The Senate:

That the Standing Committee on Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending 31st March, 1965, in advance of the Bills based on the said Estimates reaching the Senate; and
That the said Committee be empowered to send for persons, papers and records.

2. In obedience to the foregoing, the Committee held a meeting for organization on May 21st, 1964. The Honourable Senator Molson was elected vice-chairman and a Steering Committee was appointed consisting of the Honourable Senators Flynn, Haig, Smith (*Queens-Shelburne*) and the Chairman and Vice-Chairman.

3. Subsequently the Committee held 11 meetings and heard evidence from senior officials of the Treasury Board, from the Comptroller of the Treasury, the Auditor General and Deputy Minister of Finance.

4. This is the first occasion since 1956 that the Estimates have been referred to a Committee of the Senate. Prior to 1956, the Finance Committee under the chairmanship of the Honourable Senator Crerar, and later of Honourable Senator Hawkins studied the estimates and made reports thereon which were helpful and valuable. In the interval, since 1956, an important