

In 1958, after the owner failed to act, the Department entered into a contract for removal of the gelatin dynamite at a cost of \$98,000. When demands for payment from the owners of the vessel and the cargo were not met, action was taken against them in the Exchequer Court of Canada in 1961. In 1967 the action was dismissed with costs of \$3,000 being assessed against the Department of Transport. Apparently the weakness in the Crown's case appears to have been the failure of the Department to obtain an opinion in 1958 at the time of their removal, that the explosives were a hazard to navigation.

Your Committee is concerned at this outlay of \$101,000 and is also more concerned with the thought that ships using the Seaway locks and carrying potentially dangerous cargoes or pollutants do not carry sufficient liability insurance and recommends that the St. Lawrence Seaway Authority and the Department of Transport study this situation with a view to taking corrective action.

It is further recommended that when a vessel carrying dangerous cargo enters Canadian waterways, all our security agencies must be notified.

Paragraph 194. Lengthy delay in negotiating lease renewal.

In 1947 a Crown-owned wharf at Louisburg, N.S., was rebuilt at a cost of \$246,000 and subsequent repairs cost \$51,000.

With effect from September 1, 1951, over 75% of the wharf's area was leased to a sea-products company for a ten-year term at a rental of \$345 per annum. This low rental in relation to the value of the facilities appears to have been a measure to assist in the development of a fishing industry in this area. However, although the lease expired on August 31, 1961, a new lease was not negotiated until December 1967 when the annual rental was raised to \$2,500 per annum but only with effect from September 1, 1967.

Reasons given by the Department of Transport for the long delay in negotiating a lease renewal were: the involvement of the Province of Nova Scotia, the need of liaison with the Public Works Department over maintenance, a delay in appraising the property to establish a fair rental value and the unwillingness of the lessee to accept an increase in rental or to negotiate for the purchase of the wharf.

Your Committee is of the opinion that the Department of Transport in future, should protect the interests of the Crown in negotiating leases with renewal options.

Paragraph 197. Additional cost due to construction delay, Malton, Ont.

In this instance the Department of Transport entered into a contract for the construction of Aeroquay No. 1 at Toronto International Airport at a price of \$22,018,000 in 1961 and five years later the work was accepted by the Department of Transport at a cost of \$27,156,000.

From examination it appears that some of the delays were the fault of the Government and beyond the control of the contractor, such as strikes, changing requirements, because of the rapid advances in aircraft design and alterations requested by airlines.

Your Committee is pleased to learn that some of the experience gained from the construction at Malton can be applied to the airport planned for Ste-Scholastique with a resultant saving in time and money.