

hension that similar instances might have occurred. The Department has since revised its procedures.

Mr. HENDERSON: Paragraph 60. Equipment disposed of in error. The case described here represents, of course, a straight mistake. I understand it has not been possible to remedy it by securing the equipment from the purchaser and that now the equipment may, in fact, be largely obsolete. All I can say here is that you may wish to express concern that a mistake like this should occur. I understand no disciplinary action was taken by the department. I mention that because some members of the Committee invariably ask me that question.

Mr. FLEMMING: Mr. Chairman, is the first item in the sale by the Crown Assets a declaration that the Crown Assets are not required to deliver anything if they find a mistake has been made?

If it is after delivery, I do not see how they are going to get it back but that probably is the case at this time.

Mr. HENDERSON: This has been exhaustively examined and it is very much the exception, I am happy to say.

The next paragraph, item 61, is also a 1964 item. Medical fees improperly retained by a Service medical officer.

61. *Medical fees improperly retained by a Service medical officer.* Contrary to Service regulations and orders, an Air Force medical officer retained amounts received from the Group Surgical Medical Insurance Plan for medical treatment provided to dependents of Service personnel in a Service hospital. In March 1963 the officer was found guilty of conduct to the prejudice of good order and discipline and was reprimanded and fined \$200, but no action was then taken to recover the amount improperly retained by him.

In October 1963 the officer was released from the Service at his own request, without restitution having been requested from him or made by him. In August 1964 the matter was referred to the Department of Justice which has demanded payment of \$4,053 from the former officer.

This case describes how an Air Force medical officer retained amounts of \$4,053. In March, 1963 this officer was found guilty of conduct to the prejudice of good order and discipline and was reprimanded and fined \$200. Six months later in October, 1963, he was released from the service at his own request, again, without any restitution of the \$4,053 having been requested from him or offered by him. It was not until ten months later that the matter was referred to the Department of Justice which then demanded payment of the \$4,053 from the former officer. The former officer engaged a law firm to represent his interests, and correspondence ensued. On the advice of the Department of Justice, the Department of National Defence agreed that this deficiency in public funds should be settled for in the amount of \$2,500 although an amount of only \$1,000 has been offered by the ex-officer's solicitor.

In August, 1965, the Department of Justice advised that the settlement offer of \$2,500 had been accepted. A cheque was forwarded to the Department of National Defence. My concern here is that recovery of this money was not sought in the initial instance when the officer was found guilty or even six months later, when he asked for his discharge, and was released from the service. There was such an extensive time lag that it seemed to me to work