

From Revenue Canada (Taxation):

Mr. J. S. Hodgson, Deputy Minister;
Mr. S. F. Hobart, Assistant Deputy Minister (Operations).

From the Department of National Defence:

Mr. T. C. Greig, Assistant Deputy Minister, Finance;
Brigadier General T. M. Simpson, Judge Advocate General;
Mr. C. J. S. Duncan, Director, Manpower Programs and Budget;

Mr. K. A. McLeod, Director General, Properties and Utilities;

Colonel Darlington, Director, Procurement and Supply Common User.

From the Department of Manpower and Immigration:

Mr. A. E. Gotlieb, Deputy Minister;
Mr. J. C. Manion, Senior Assistant Deputy Minister, Manpower;
Mr. J. A. Hunter, Director General, Manpower Co-ordination Branch.

From the Canadian Livestock Feed Board:

Dr. R. Perreault, Chairman of the Board.

From the Department of Supply and Services:

Mr. D. R. Yeomans, Assistant Deputy Minister, Operational Services.

From the Department of Public Works:

Mr. A. J. Perrier, Assistant Deputy Minister, Planning and Development;
Mr. J. W. Charron, Assistant Director, Property Administration.

From the Public Service Commission:

Mr. J. J. Carson, Chairman.

Representatives of Public Accounting Firms on Executive Interchange:

Mr. Robert B. Dale-Harris, Partner, Coopers & Lybrand, Toronto;
Mr. John B. Cole, Partner, Coopers & Lybrand, Toronto;
Mr. Patrick B. Lafferty, Manager, Coopers & Lybrand, Montreal;
Mr. D. G. Ward, Coopers & Lybrand, Toronto;
Mr. Raymond M. Dubois, Partner, Peat, Martwick, Mitchell & Co., Montreal;
Mr. Jack E. Zittler, Partner, Zittler, Sibling, Stein, Levine & Co., Montreal.

From the Department of Energy, Mines and Resources:

Mr. W. H. Hopper, Assistant Deputy Minister, (Energy Development);

Mr. R. Priddle, Senior Advisor, Oil and Gas.

From the Energy Supplies Allocation Board:

Mr. N. J. Stewart, Chairman.

From the Treasury Board Secretariat:

Mr. G. F. Osbaldeston, Secretary of the Treasury Board;
Mr. S. Mensforth, Assistant Secretary, Financial Administration;

Mr. L. M. McGimpsey, Director, Financial Policy Evaluation.

POST OFFICE DEPARTMENT

PARAGRAPH 46—Subsidization of local transportation by the Post Office Department. (*See Minutes of Proceedings and Evidence, Issues Nos. 22 and 24, dated April 17 and 29, 1975*).

In the Auditor General's 1973 Report (Paragraph 62) and in Paragraph 46 of his 1974 Report the Auditor General cites this case of subsidization of local transportation by the Post Office Department, in clear contravention of Section 61(1)(c) of the Financial Administration Act,—any appropriation was exceeded or was applied to a purpose or in a manner not authorized by Parliament.

Although a recommended improvement in arrangements for transporting mail between Kenora and Fort Frances would have saved the Post Office Department \$11,500 annually, the loss of this mail contract by a bus company would have an adverse effect on the public transportation services provided to residents in the area.

The Committee was informed that if the Post Office Department did not use the bus company, the latter would go out of business.

This arrangement was continued in spite of an initial study by the Post Office Department, which recommended that this contract be terminated and the available alternate means of transport be used.

Your Committee recommends that the Post Office Department should not depart from the system of open tender contracts for mail carrying; and in this regard should adhere to Section 61(1)(c) of the Financial Administration Act which states that appropriations should be applied only in a manner authorized by Parliament.

PARAGRAPH 47—Improper charge to 1973-74 appropriation. (*See Minutes of Proceedings and Evidence, Issues Nos. 22 and 24, dated April 17 and 29, 1975*).

In late March 1974, a member of the Post Office Department visited suppliers of motor vehicles with which it had entered into contracts.

On April 1, 1974, the Post Office Department informed by telex departmental transportation officials in all regions of Canada that those vehicles had been accepted on their behalf prior to March 31, 1974. The Department then charged Post Office Vote 5 with \$748,000 for these vehicles delivered subsequent to April 1, 1974, contrary to the provisions of Section 30 of the Financial Administration Act.

Your Committee concluded that the acceptance and payment after April 1, 1974, was clearly illegal.

Your Committee believes that all departments should know that Parliament has under the provisions of the