

From discussions I have had with the minister, I think it is his view that we need to engage in sharpening up our definitions, making them more realistic and capable of administration by the provinces and the municipalities, and I know the minister intends to take a look at it.

Senator CROLL: If I remember correctly, you told us there were recoveries to the extent of about \$30,000 one year, \$30,000 odd the next year in that area. Let us take the year 1963-64. In the case of a bad actor in 1963, from the time you recovered, how did you look at him in 1964? Did you have a repetition on the part of that bad actor after you recovered—a term I am using for the municipality which takes advantage?

Mr. HEREFORD: We look at the next year's projects very closely, and we put what we call a "stop payment" on projects where we have some concern.

Senator RATTENBURY: Do you look at it from the viewpoint of the project or from the viewpoint of the manpower employed, or from both?

Mr. HEREFORD: In both ways.

Senator KINLEY: Do you blacklist any municipalities or contractors? Do you have to blacklist them?

Mr. DYMOND: No, I do not think we engage in a practice of that kind. We do not have any dealings directly with contractors. It is strictly up to the municipality to hire the contractors.

Senator KINLEY: Only the house building?

Mr. DYMOND: In the house building?

Senator KINLEY: Yes.

Mr. DYMOND: Any house that is built in conformity with the terms of the program is an eligible house, regardless of who is involved in building it.

Senator KINLEY: There is an open element in every business, there is always some loss, but I do not think we should take what the Auditor General says lightly. He is the watchdog of the treasury and is a very important man and he is looking after the safety of the people's money. We should take seriously anything he says, and I think we do.

Mr. HEREFORD: The Auditor General has not reported on the house building program.

Senator CROLL: How much money does our program involve in the 1964 program, on the amount of recovery of \$30,000?

Mr. DYMOND: Do you mean the total amount of expenditure?

Mr. HEREFORD: In 1963-64, which would be the year, our expenditures were in the neighbourhood of around \$32 million.

Senator CROLL: Thirty-two million dollars of which you recovered \$30,000 in recoveries?

Mr. DYMOND: For the sake of clarity, we are recovering other moneys which have not been brought to your attention by the Auditor General.

Mr. HEREFORD: There is still under consideration for those two years something in the neighbourhood of \$60,000 being negotiated.

Mr. DYMOND: But there are also other ways in which we have detected expenditures that do not conform with the terms of the program—where we have withheld payment as well.

Mr. HEREFORD: That is true.

Senator CROLL: I have not got the report in front of me—you have it, Mr. Chairman—but did not the Auditor General make a statement, the purport of which was that we had no way of checking at all any of these things?

The CHAIRMAN: I think you may have in mind that, in the case of one province; he said that it "has indicated its reluctance to an examination being