

*Government Organization*

greater responsibilities on the Auditor General and his staff. As a result it will be necessary to provide more funds for the enlargement of the Auditor General's office and staff so that he will be in a position to carry out the new and heavier duties which will be imposed upon him.

I note with interest that the new department will have two deputies, the Deputy Minister of Supply and the Deputy Minister of Services. I do not know, of course, where this proposal came from but I wish to register my strong objection to this course and to this part of the legislation. In maritime terms, the minister is the captain of the ship and, normally, for good operational efficiency a ship has only one captain and only one mate. It has been my experience that whenever there is a division of authority there is always a danger that nothing will be done. If the captain could always be on watch the mate would do his bidding, but I know that the minister, coming from Newfoundland, will realize that no man can stay on watch for 24 hours. He has to turn in sometimes, and when he turns in he is not watching what is going on, so that just about anything can happen. After all, this new department is really only a revision of the old Department of Defence Production with some new duties added. From the information provided to us by the Auditor General it seems to me that we have already had too much division of authority in this department, and a study of the evidence before the Public Accounts Committee would indicate that a tightening up of the procedures that are followed is long overdue.

**Mr. Baldwin:** Maybe they have a pilot for the port side and a pilot for the starboard side.

● (4:30 p.m.)

**Mr. Crouse:** I do not know if that is correct but I believe that this aspect of the legislation should receive a second look from the minister. There is a tendency to say: Let George do it. One deputy minister may well look to another, thinking he will do the work, and as a result nothing may be done.

The refitting of the *Bonaventure* is an example of what can happen. Recently we examined this affair in the Public Accounts Committee where we learned that improper estimates, poor supervision, insufficient inspection, slipshod purchasing regulations and improperly drawn contracts had led to an escalation in the estimated cost of refitting

[Mr. Crouse.]

from \$5 million originally to somewhere in the vicinity of \$12½ million.

The lax management practices revealed in connection with this project have been paralleled only by what took place in connection with the hydrofoil as disclosed in further evidence before the committee. Here was a highly sophisticated defence ship planned by the National Research Council for use by the navy at an estimated cost of \$9 million. To the best of my knowledge, the National Research Council, the Department of Defence Production and the Department of National Defence all had a hand in the development of this ship. But in my opinion there was no single, real authority in control. The estimated cost, at the beginning, was \$9 million. To date the hydrofoil has cost more than \$53 million, and there are still grave doubts about the ability of this vessel to perform satisfactorily as an operational unit.

Further evidence of what happens when there is no one in real authority was placed before the Public Accounts Committee this morning, and I refer to this point because I believe it to be an important one. I do not want to see the minister start out on a voyage with two mates when I believe one will do. We were told that the contract for this ship was given to de Havilland; this company was to have full responsibility for the design, development, planning, inspection and delivery of the ship—full responsibility for the entire project. A fire broke out at a time when there were no officials from the Department of National Defence on board. They were not notified that tests were to be carried out. The fire cost somewhere in the neighbourhood of \$6.5 million. We learned there were no government inspectors on this project, and we were told none were required, apparently because de Havilland had assumed full responsibility. Nevertheless, when it came to paying the bills it was not de Havilland that was required to pay the cost of its own incompetence in failing to provide proper inspection. By some strange alchemy which I cannot understand, the cost of this fire was placed on the backs of Canadian taxpayers. Mismanagement of this type calls for a tightening up in procedures, and this is why I question at least one aspect of the legislation before us. If we endorse it we may find ourselves going off on two different tangents.

After all, Mr. Chairman, what is supply? What are services? Who will be responsible for these services? These questions are not