

REGIONAL ECONOMIC EXPANSION

Canada made an interim payment of \$330,000 to Ontario on March 14, 1975, with respect to a project undertaken by the Province under the Subsidiary Agreement. This payment was not accounted for in the following quarter as the agreement stipulated and was still outstanding when an additional interim payment of \$693,000 was made in December 1975. A claim for costs of \$169,000 for the period March - December 1975 was received in March 1976, leaving a balance of \$854,000 to be accounted for. Nevertheless, on March 15, 1976, an additional interim payment of \$1.7 million was made. (Para. 13.23, 1976 Annual Report)

Canada made two interim payments totalling \$1,795,501 to New Brunswick in September 1974 and March 1975. When an audited claim for \$1,639,998 was submitted in March 1975, consideration was only given to the first interim payment of \$1,043,625 with the result that a further payment of \$596,373 was made by Canada. The situation was not adjusted until October 1975. (Para. 13.23, 1976 Annual Report)

(Para. 10.8, 1977 Annual Report)