

Mr. LEBLANC: We know the names of the second group but we never got the names of the first group, or the name of the company until they were incorporated, and we do not know what the capital stock is either.

Mr. HENDERSON: I think we have that information. You have the name of the first group. Would you see if you have the amount?

Mr. LEBLANC: While we are waiting, I have another question of the Auditor General. Was the department organized to make a real audit of the gross revenues. The rental was paid under the gross revenue. Did the department ever look at the gross revenue of the company to see exactly if the revenues declared were the exact ones? Not that I doubt that they did not introduce the right figure, but I think as a matter of audit it is very good to have a strict control.

Mr. HENDERSON: That is correct, sir. The department has a competent internal audit staff. As I recall, Mr. Smith and I examined the financial statement of this first group when it was produced. I think I said here on July 31, 1961, that they were presented to the department by a firm of accountants in Montreal, and the internal auditors of the Department of Transport had themselves gone over them in detail and reported on them to the officers of the department. As far as I recall it they had raised a great many questions about the situation that this statement disclosed when of course, for the reasons Mr. Scott has stated, they became increasingly concerned with what they had on their hands.

Mr. SMITH: The only information we have with regard to the personnel is that this group was incorporated under the presidency of Mr. J. Lionel Paquette.

Mr. LEBLANC: So that in a group of 10 or 15 they were all shareholders of the new company?

Mr. GOODWIN: Speaking from memory I would assume there were five gentlemen who at least took the main lead in the negotiations with the department. I could not say whether there were more shareholders. But I am quite certain there would be not more than the five that I know of.

Mr. WINCH: Do you know their names?

Mr. GOODWIN: No, but I do know Mr. Paquette who runs a restaurant in Montreal and has done so for many years.

Mr. LEBLANC: Do you remember offhand if there was the name of one Charles Paquette who was interested in this company?

Mr. GOODWIN: I do not recall that name.

Mr. LEBLANC: Could we get the information about the first group that was formed with whom the department dealt? I am sure they know them all, and they must have all their names on record.

Mr. GOODWIN: I guess we must have. It was decided earlier that we would produce them in answer to a question.

Mr. LESSARD (*Saint-Henri*): I think that most of my questions have been asked by Mr. Cameron, and I shall wait until we get some information about the first group.

Mr. McLEAN (*Charlotte*): Is it not true that the first group were responsible people, and they went into the restaurant business with the idea that they would secure a liquor licence, but somebody interfered and they did not get their liquor licence, so they could not possibly make their revenue. They were good businessmen, and they did not want to throw good money after bad. So they would not put any more money into the operation. Then it went on to a second group who took it over. They were given a liquor licence and were able to make money.