

Mr. HEREFORD: There is a provincial rebate. I am not thoroughly familiar with it, but there is a provincial rebate system in Quebec whereby persons with income below a certain level get a rebate on the interest on the mortgage.

The CHAIRMAN: That is what I recall too.

Senator POULIOT: In other words, Mr. Chairman, what I understand is that the department does not run after Ontario or Quebec to offer money; it takes due consideration of the number of projects that are submitted; is that the case?

Mr. DYMOND: Yes, that is correct, under the municipal winter works incentive program.

Senator POULIOT: If a province submits a larger number of projects for grants than any other province, then it is expected to get more than the province which submits a smaller number of projects; is that correct?

Mr. DYMOND: That is correct.

Senator POULIOT: Now, to continue on that point, your plans are not given according to the population of a province?

Mr. DYMOND: That is correct.

Senator POULIOT: It is given according to the needs.

Senator ISNOR: The financial picture must come into that.

Senator POULIOT: Yes, the size of the project; and for the size of the project it is the same thing, is it?

Mr. DYMOND: That is correct.

Senator POULIOT: Now, sir, is it not true that there are more designated areas in eastern Quebec and in northern Quebec than there are in Ontario.

Mr. DYMOND: Yes, to my knowledge there is more population in designated areas in the Province of Quebec than in the Province of Ontario—areas designated under the Department of Industry Act for grants for industrial development.

Senator POULIOT: That was my understanding. And is there any preference for a province over any other province in approving projects?

Mr. DYMOND: No, it is strictly on the number of projects that come forward from the province and whether those projects are eligible under the terms of the program.

Senator POULIOT: You are just the same as a bank which lends money to those who want to borrow it, and the bank does not run after customers who do not need any loan; is that true?

Mr. DYMOND: Yes. I would say the analogy is a little difficult to make between banking and this in certain respects. We do not evaluate the credit worthiness, for example, of any of the applicants for grants under the municipal program. That is a matter strictly for the province. In other words, if money would have to be borrowed from banks for the program that comes forward, that is a matter for the departments of municipal affairs and agencies of that kind at the provincial level. We are not involved in that question at all.

Senator HAIG: In other words, the project has to be approved by the province before submission to you?

Mr. DYMOND: That is correct.

Senator RATTENBURY: Why then does the Auditor General come into the picture?

Mr. DYMOND: Well, I think he probably should answer for himself on that, senator. My understanding is that he is in the picture auditing any federal expenditures.

Senator RATTENBURY: After they are made?