

THE ST. LAWRENCE SEAWAY AUTHORITY

*Financial statements for the fiscal years ended December 31, 1963
and December 31, 1964*

12. The Committee examined the annual financial statements of The St. Lawrence Seaway Authority for the years ended December 31, 1963 and December 31, 1964 which are referred to by the Auditor General in paragraph 159 of his 1964 Report and paragraph 209 of his 1965 Report. This examination was facilitated by reference to the annual reports of the Authority for each of the two fiscal years and by the supplementary reports on the accounts addressed to the members of the Authority by the Auditor General under date of July 6, 1964 and September 29, 1965.

This was the first occasion on which the Committee has had members or officers of the Authority before it as witnesses and the members of the Committee are now much more familiar with the operations of The St. Lawrence Seaway Authority and appreciate very much the considerable amount of information which was given to them by the witnesses.

The Committee was pleased to learn that the Authority enjoys good relations with departments of government and is satisfied with the organization of its finances notwithstanding the fact that revenues have been less than anticipated, thus preventing the Authority from meeting all its obligations in its first six years of operation.

The Committee learned from the Authority that it was optimistic that, provided anticipated increases in traffic and tolls materialize, it would be able to meet its financial obligations without subsidy or other relief.

The Committee was concerned to learn of the transaction which is referred to in paragraph 125 of the Auditor General's 1965 Report which involved a piece of property expropriated in 1955 with the expropriation being abandoned early in 1956. Subsequently, a 96,000-barrel fuel oil storage tank was constructed on the land and there was a trespass on Crown property when an oil pipeline was laid across it to a dock without obtaining an easement. No action was taken concerning the trespass and the property, which apparently is essential to the eventual construction of all-Canadian Seaway, was purchased in April 1964 for \$282,000, which included \$132,000 for the oil storage tank.

The Committee has asked a sub-committee to inquire into this transaction and will report further when the report of the sub-committee is received.

The Committee was also concerned to learn that there had been an overpayment of \$130,000 in grants in lieu of taxes to the City of Cornwall over a period of five years, but it was advised that recovery would be made in five equal instalments from future grants in lieu of taxes. The Committee felt that the error of including one piece of land twice in the calculation of grants in lieu of taxes should have been detected and corrected much earlier and was pleased to have the assurance of the Authority that a survey had been made and that no other similar cases existed.

THE CANADA COUNCIL

*Reports and financial statements for the fiscal years ended March 31, 1964
and March 31, 1965*

13. In its Fourth Report in December 1963, the Committee noted that the Council proposed to accept the 1956 census as a basis for distribution of the