

Mr. Henderson: Yes.

Mr. Stafford: Sooner or later a matter of \$3,000, unless the budget is rather enormous, would have come up anyway.

Mr. Henderson: The Department's records indicated the account was paid and that was the end of it.

During the last year, the expenditures were \$228,000.

Mr. Winch: Have you any report...

The Chairman: Just a minute, Mr. Winch, Mr. Stafford has the floor.

Mr. Stafford: I take it that when the money was asked for a second time, even though you had not found it, this would have come to the attention of the Department anyway, would it not?

Mr. Henderson: Oh, positively; it would undoubtedly have come to the attention of the Department because of the pressure from the transportation company. It happened that we had selected this place to visit because it tied in with a travel itinerary of my office at the time and we did the job. The transportation company is, I believe, well established in that part of the world, and naturally they were calling for their money.

• 1040

This Committee considered a not dissimilar call, Mr. Chairman, back in 1966 or 1965. This was a case at Canberra, where I believe the amount involved was \$12,000, and it happened by virtually the same method. The company finally got desperate and called for the money. In this particular case it had been paid.

Mr. Stafford: But would it not be rather difficult for these different missions, embassies, high commissioner's offices and trade commissioner's offices to have checks and balances to limit any such fraud as this if it did occur, and to stop it?

Mr. Henderson: Extremely so, although in our experience they are very conscientious and a number of heads of missions have said to me on occasion, as has the Under-Secretary in Ottawa, that they welcome a visit from someone to make a quick spot check like this. That is why it is felt if one man does a certain group of them it is better than nothing.

The Chairman: Are you finished, Mr. Stafford?

Mr. Stafford: I have just one more question. If the Department of Justice or the RCMP had found any theft, would you have any reason to believe that charges would not have been laid? They usually lay charges if they can be proved, do they not?

If the Department of Justice or the RCMP had proof beyond reasonable doubt, they probably would have been convicted?

Mr. Henderson: The matter was explored about as far as it could be explored before the recommendation was made to the Treasury Board that the account should be paid.

Mr. Stafford: But is it not a little more difficult for the RCMP to investigate a case in a communist country such as Yugoslavia than it would be here in Canada?

Mr. Henderson: They interviewed these people who, you must remember had been in our employ. I think one of them was working some place in the United States, and that is where he was interviewed. They did not interview people in Yugoslavia; these people were Canadians.

Mr. Stafford: So they had nothing to go on but the statements of the individuals?

Mr. Henderson: Precisely.

Mr. Stafford: It is always a little more difficult in cases like that, is it not? It is obvious.

The Chairman: We now have Mr....

Mr. Winch: Mr. Chairman, may I ask my last question?

The Chairman: Mr. Winch, there are a few people ahead of you and I must take the names in order. There is Mr. Forbes, Mr. Lefebvre and then Mr. Winch.

Mr. Forbes: I have just one short question. Is it customary in these countries for people to deal absolutely on their honour, without issuing cheques or receipts or do they have any detailed system of accounting for the money?

Mr. Henderson: Mr. Long might have something to say on that.

Mr. G. R. Long (Assistant Auditor General): Mr. Forbes, as Mr. Henderson mentioned, you have to do business the way it is done in these countries. There are countries where you cannot get a receipt. If you want something, you pay cash and you do not get a receipt. That was not the case here because a