

Your Committee has since been informed by the Department of Supply and Services in answer to questions asked (APPENDIX I, Issue No. 24) that although this plant now ranks as the third largest producer of magnesium and aluminum castings in North America, the plant lost \$43,000 in 1968, and a drastic reduction in casting requirements could have an adverse effect on the profit position of the contractor for the period 1969 through 1972.

This is not the only operation beset with problems of this nature. "Paragraph 80. Disposal of surplus forging facility" involves the Crown in a very similar operation, where the Crown is placed in the position of having to offer the plant at a nominal price of \$7 in the case of the plant at Haley Station in order to keep this plant in operation, and \$1 in the case of the surplus forging facility.

Your Committee is of the opinion that the time has come for the Department to take a hard look at these operations of a marginal nature to decide if it is in the national interest to keep them in operation.

PARAGRAPH 81—COST OF UNUSED HOTEL ACCOMMODATION—GOVERNMENT DEPARTMENTS.

In anticipation of a shortage of hotel accommodation in the City of Montreal, the Department of Defence Production, at the request of the Treasury Board, entered into contracts with five hotels to ensure that accommodation would be available from April 1 to October 31, 1967 for personnel of 76 departments and agencies travelling to Montreal on business.

The cost of unoccupied accommodation during this period was \$21,100 of which \$10,300 was for a block of 16 rooms reserved for the use of the Department of Trade and Commerce. The reservation of these 16 rooms was discontinued effective May 19 when it was realized the Department had used only 156 of the 768 room nights available during the period from April 1 to May 18. A further \$1,500 was charged to various departments