

EVIDENCE

MAY 10, 1956.

The CHAIRMAN: Order gentlemen, we have a quorum. The business of this meeting is in connection with paragraphs 34 and 45 of the Auditor General's report. In paragraph 34 he refers to the Department of Northern Affairs and National Resources and he has this to say:

With respect to payments approximating \$60,000 recorded as expenditures on the strength of the certificates, it was observed that charges were made to the old year's vote although (a) no deliveries were made to railhead until late in April, (b) some cheques bearing an April date were released only on 10 May, and (c) a further 75 cheques totalling \$55,746 were drawn in April of which 28, representing \$8,660, were still being held at the time the audit was completed in August.

We have with us this morning Mr. R. G. Robertson, Deputy Minister for Northern Affairs, Mr. F. J. G. Cunningham, Director, Northern Administration and Lands Branch, Mr. F. A. G. Carter, Administrative Officer and Mr. M. A. Packwood who is connected with supplies and shipping. These gentlemen are here to give the committee all necessary and useful explanations concerning the matters brought up in Mr. Sellar's report.

Mr. R. G. Robertson, Deputy Minister, Northern Affairs, called:

The WITNESS: Mr. Chairman and gentlemen. My purpose in this statement will be to try to explain in part what the procedures are in regard to purchases and supplies of the Northern Administration and Lands Branch and particularly to deal with the points which are made in the Auditor General's report.

At the outset, perhaps I should say that the comments of the Auditor General in paragraph 34 which you have just heard are entirely correct and accurate. We do not dispute the accuracy of them in any way.

What I wish to make clear in the course of my statement will be in the first place the background of the operations of the Northern Administration and Lands Branch which requires or has required certain procedures to be followed. In the second place, I wish to make it clear that in no case has payment been made for any item which was not delivered or shipped before March 31 of the relevant year, that is March 31, 1955. The third main point is that no part of the procedure which has been followed, which was followed in that year, is in any way an infringement of the Financial Administration Act or of any rule or regulation of the treasury under that act.

If I may, Mr. Chairman, I could give some general background on the operations, which may explain the position.

The CHAIRMAN: I think that would be a good idea.

The WITNESS: In the first place for most departments there is a certain measure of specialization. For the Northern Administration Branch, operating in the north, there is almost no specialization: it deals with almost every aspect of life in almost every part of the north. It runs schools, operates a reindeer herd, builds roads and buildings, provides relief to Eskimos and does virtually everything you could think of in regard to all aspects of life in the north.