

**Mr. Henderson:** Mr. Chairman, this example here in paragraph 70 clearly shows you how Parliamentary control of expenditure is one of the Committee's basic responsibilities and one of my own.

I am very happy in this case to depart from the usual procedure by telling Mr. Winch that since this note appeared the Department has agreed with our opinion and has put things right. This naturally was the subject of discussion between the Department and ourselves and they have accepted our argument on this.

**Mr. Winch:** I am very happy to hear that. Are there any other departments where there is no record of expenditure and revenue, or is this the only department?

**Mr. Henderson:** This point is so important that if there were I would hope that it would be the subject of a paragraph in one of my reports. I think there are one or two cases, and perhaps Mr. Long could recall them.

**Mr. Winch:** This is most important. I am very happy that this one has been cleared up.

**Mr. Long:** There are only isolated cases which come up from time to time like this. We had one in several years ago, and any one we see we would report. You cannot say as a general rule that departments intentionally do this, but there are cases that do come up from time to time.

**Mr. Winch:** Are there any now?

**Mr. Long:** None that we know of.

**The Chairman:** All right. Are there any other questions in that group?

**Mr. Schreyer:** Mr. Chairman, there are just two relatively minor ones. In paragraph 53 we are told that a non-productive payment of \$38,000 was owing, by agreement, to a firm of consulting engineers but that in the end a non-productive payment was made of twice that amount, \$77,000. Is that basically the point you are making in this item Mr. Henderson?

**Mr. Henderson:** Not quite, Mr. Schreyer, but I can give you some later information on this note which gives the situation a happier ending.

**Mr. Schreyer:** Well, I was just going to ask about that. Since there has been reconsideration and the decision is to proceed now with the construction of this grain elevator, will

these plans be used after all and will all payments be productive.

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**Mr. Henderson:** That is my point. Last March, just a year ago, they entered into a further contract with the same consultant at an estimated cost of \$150,000 against which the \$73,000 of the previous payment is going to be applied. In May of last year, 10 months ago, a contract was entered into for the construction of the elevator extension at a fixed price of \$2,496,000, and that figure is approximately \$400,000 less than the previous low tender. Not all these stories have a happy ending but that is one I am pleased to report, Mr. Chairman.

**Mr. Schreyer:** Then I refer you to paragraph 67 in which we are told about the National Harbours Board making an error in its commitment to store feed grain for a certain firm and the end result of the cost to the treasury was over \$100,000 to store 400,000 bushels of feed grain. This seems almost incredible because feed grain is relatively low value. Who owns this particular elevator at Quebec City where this grain had to be diverted and which charged \$100,000, and who made the billing?

**Mr. Henderson:** I will look up our background material on that because I do not happen to have it at hand. The amount is \$43,978, Mr. Schreyer.

**Mr. Leblanc (Laurier):** There is quite a difference between \$100,000 and \$44,000.

**Mr. Henderson:** It is a \$43,978 payment. You see, the vote was \$58,400 and the bill paid was \$43,978.

**Mr. Schreyer:** Well that lessens the magnitude of the error made here but still...

**The Chairman:** What was your question?

**Mr. Forbes:** It is one-thirtieth of a cent per bushel per day for storage so figure it up and you will know whether you are right or wrong.

**Mr. Winch:** How many days?

**Mr. Forbes:** Does it not tell you there how long?

**Mr. Schreyer:** I would like to know to whom this \$43,000 was paid.

**Mr. Henderson:** On May 20, 1967, \$12,500 was paid to the Maple Leaf Mills Limited, on