

Mr. BRYCE: I think perhaps there might be a guide in the Defence Production Act, which covered a question similar to this, and in that case it was specified that the Governor in Council must approve contracts of over \$25,000 in any case except those where the lowest tender was accepted, and in that case must approve contracts over \$50,000. Now, that was the latest legislation which, I think, reflected the government's view on the matter. In general, the \$5,000 limit has been in effect for many years, in fact it was, I believe, established around the turn of the century when a \$5,000 contract was much larger than it is today. As far as I know the mind of the government, it has been their view that it would be proper to raise that limit to some multiple of \$5,000.

Mr. FRASER: Yes. \$25,000 would not be in line with that; \$15,000 might be.

Mr. MACDONNELL: What multiple have you in mind?

Mr. BRYCE: The only thing I can say, sir, to that, as far as I know the Governor in Council or the Treasury Board has not yet considered what ought to go in, here, but, as I said, the Defence Production Act might be used as a guide.

Mr. FRASER: Well, in that letter which was received from the Canadian Construction Association \$25,000 was mentioned and that is likely where they got that.

Hon. Mr. ABBOTT: I think they would be thinking of the Defence Production Act when they mention that.

Mr. FRASER: Yes, and on account of receiving that letter from them I feel we should have some guide as to what the amount should be set at.

Hon. Mr. ABBOTT: They are referring particularly, Mr. Fraser, to bill 26, which is the bill on the public works, and they say that in this letter. As Mr. Bryce has pointed out, neither the government nor the Treasury Board has given consideration to the limit which would be fixed in the regulations, but just speaking offhand, I would think we probably would be likely to take the same sort of limit, as a starter, that has been fixed by parliament in the Defence Production Act. I do not think we would take any higher limit in ordinary contracts. It might be eventually desirable to take a somewhat lower limit, but I do think there should be some flexibility left in there, and that is the purpose of drafting the section in this form.

Mr. FRASER: I see how a contractor and the association feel if you are going to call tenders for \$25,000 and over. If it is only for contracts of that size that tenders will be called, they are a little dubious about whether their men are going to receive word of those contracts.

The CHAIRMAN: The proper place for you to have anxieties about it is when bill 26 is being discussed.

Mr. FRASER: On the public works?

The CHAIRMAN: On the public works, yes, which does not prevent the passing of section 39 as it is, and the regulations to be made, but if bill 26 contains a different amount or overrides any regulations made under this—

Hon. Mr. ABBOTT: You appreciate, Mr. Fraser, the limit we are speaking about, the \$25,000 limit, or the \$10,000 limit has no relation to the calling of tenders, it merely provides for cases where there must be an order in council or a Treasury Board minute.

Mr. FRASER: But that letter, the way I understand it, gave the impression that there were only tenders called for \$25,000 or over.

Hon. Mr. ABBOTT: I think the Canadian Construction Association were concerned with the provisions of bill 26, suggesting that they might be a little