

Mr. RICHARD: At any time you wish you can come down to our office and discuss any particular case. You are welcome, as are all other members of the committee. We would only be too glad to have you come in and see how it works.

Mr. McGRATH: I realize that, sir, but my question had to do with what, if any, investigation do you make of those firms with which you are dealing. I suggest to you that some of these firms are in the business solely to deal with your corporation; this is the only function they carry out.

Mr. RICHARD: Perhaps you have in mind the case of Hercules sales. I would say that is a very minor part of their business. They buy from all over—the United States, Japan, Korea and other countries.

Mr. McGRATH: What about Marvan Equipment Sales of Kemptville, Ontario. They are the second highest.

Mr. RICHARD: Yes. I do not think they could be said to be solely in the business of buying from us.

Mr. SMITH (*Simcoe*): Is it not a fact that some of these people are heavy buyers because they have the distribution facilities to dispose of huge quantities?

Mr. RICHARD: Yes.

Mr. SMITH (*Simcoe*): For instance, Levy Auto Parts.

The CHAIRMAN: Mr. Smith, do you have something that you wish to read into the record on behalf of another member?

Mr. SMITH (*Simcoe*): Yes.

Mr. BEECH: May I follow up with my other point. I know you have the principle of giving these tenders to the highest bidder; but normally, as in other provincial matters, people bidding have the right to see what the other people are bidding. Does that not apply here?

Mr. RICHARD: This is not the system we have followed.

Mr. BEECH: How can it be equitable? Surely the other people have a right to know.

Mr. MORTON: I believe that was explained at a previous meeting. He gave quite a logical reason.

Mr. BEECH: I am sorry, if it is on the record.

Mr. DANFORTH: May I follow this up. Mr. Richard, how would it be possible for a small company which has done business with the Crown Assets Disposal Corporation once not to be on the tender list on occasions after that? I am speaking of a company which on two occasions purchased airplanes in a small number and has had to make reapplication in order to be put back on the tender list.

Mr. RICHARD: The most frequent reason for that is that we have ruled that when a firm fails to reply to us after five offer forms have been circulated to them we assume they no longer are interested and we cut them off the list.

Mr. SPENCER: Are they advised that if they do not reply they will be taken off the mailing list?

Mr. RICHARD: Yes.

Mr. SMITH (*Simcoe*): Is it not also the case that some people who are on the list and are not bidding will sometimes send in a blank form with no author in order to keep in good standing.

Mr. RICHARD: Yes. Also there are cases where they may fail to make payment when called upon; they may be the high bidder and when we ask them for a cheque for the merchandise they do not put up the money and we cut them off.