

Supply—Mines and Technical Surveys

says, notwithstanding the fact that he followed the old Liberal policy and did not ask for tenders, he still got a cheaper price from Autair than he would have got from any other company.

I do not see how that would have been possible if they all had to charge the same price and adhere to the tariffs. Surely the minister will have to explain to us where this saving of \$25,000 came in, because from the explanation the minister has given, it does not seem to me to make any kind of sense at all.

We know of course, from information the minister gave us last year, that certain tariffs were filed and the minister reached a conclusion that this company was the best company to do this job. We have also got information—I am sorry to say I have not had time to look it up—given in answer to questions, that this company has the worse accident rate of any company in the industry.

Is that the basis on which the minister chose this company as the most competent one to do this job? It seems to me that if all of them charge the same price it is odd that the company that has the worst accident rate, the company that had its insurance cut off on more than one occasion, should have been selected by the government as its chosen instrument. Perhaps the minister would explain that.

(Translation):

Mr. Comtois: Mr. Chairman, nothing is easier than to explain what has been going on and what we have done, unless I have to deal with someone who refuses to understand or rejects beforehand what I have to say.

First of all, the Minister of Mines and Technical Surveys has nothing to do with rates. Those come under the jurisdiction of the A.T.B. and, therefore, of the Department of Transport.

What we insist in knowing is whether a company had its rates approved and those rates are liable to change.

A company submits its rates to the A.T.B. in order to have them approved. Another company might submit other rates. They also have to be approved.

All those companies are class 4 companies, which means that they have to submit their prices and rates for approval.

It is not the duty of the Department of Mines and Technical Surveys to ascertain whether such a company has filed new rates, whether those were approved, whether objections were raised or not, whether the company is insured or not. That is not our job.

What we must know from the air transport board is whether this company is in good standing or not, whether it carries insurance, and whether, according to the board, it offers the required guarantees for carrying out the contract.

If we have these guarantees, our responsibility is all the more reduced.

We then compute the costs based on the rates and on the costs of transporting the equipment, what we call "positioning" and "depositioning", that is the dismantling of the aircraft before the transport operation and the reassembling of it when it has reached its destination.

There are instances—and of this the hon. member is not aware and I fully understand his ignorance in the matter—there are instances where a company may have an opportunity to have its transportation done (what we call positioning and depositioning) in the Arctic at a better price than another company.

As anyone knows, at least anyone familiar with the procedures followed in such work, Sikorsky or Bell planes are used for such conveyance. And it is known also that in that field the competition among the different companies is keen. It is for them a matter of prestige, of competition and of getting contracts.

They make their bids, watching one another closely. Sometimes they even wait until the last minute to file new rates with the board to prevent a competitor from knowing beforehand what rates they submitted.

With regard to transportation, a company may have opportunities to go there and return at the end of the season for a better price than a competitor. This accounts for its lower operating costs.

I have already answered a question on this matter put to me by the hon. member for Laurier (Mr. Chevrier).

This procedure makes it possible to arrive at the operating cost which is most economical.

First of all we want to be assured by the air transport board that the company is in good standing.

We figure out the most economical rates for us making sure that the company is in a position to provide us with the required aircraft.

If, at the end of the year, we get a bad report on the company—if, for instance, the work has not been done properly and the service has been bad, we just have to discontinue our dealings with the company.