

Mr. McGRATH: Am I correct in assuming that during this period of five or six months your people maintained a suite in the Newfoundland hotel?

Mr. RICHARD: They are located in the Newfoundland hotel; yes.

Mr. McGRATH: In a suite?

Mr. RICHARD: A suite?

Mr. McGRATH: Yes, a hotel suite.

Mr. RICHARD: A room.

Mr. McGRATH: They do not have a suite?

Mr. RICHARD: They have the usual type of accommodation.

Mr. McGRATH: My question is pertinent in this regard; if they do maintain a suite, which I believe they do, would it not be more economical to have a branch office and a man there all the year around if you are spending so much time on the United States surplus.

Mr. RICHARD: A number of times we have considered whether or not it would be preferable to have an office there the year around. I do not think it would be any more economical.

Mr. BEECH: Mr. Chairman and Mr. Richard, some of the people in my area complain they do not get in on the bidding because there seems to be one firm which gets all the tenders. I see one firm here, Hercules Sales Limited, which had 517 sales in the Toronto area. Is that unusual? Can these other people check the figures so as to be able to put themselves on a competitive basis?

Mr. RICHARD: I just have pointed out that all these bids are by sealed tender and if one firm gets more than the others it is merely because consistently they are the high bidder. You have in front of you the list of all the principal or more active firms. You point out the case of Hercules Sales Limited which company has bought 517 items in the year, but I would also like to point out that we have 16,000 items in here. Is that a big proportion?

Mr. BEECH: The thing is that this one firm gets all these sales and these other people claim they do not get in on it. Is there any way in which they can check the tenders in order to compete? If they do not know what the other people are paying it is difficult to compete. Is there any way in which they can see the tenders which are granted?

Mr. RICHARD: That also has been considered a number of times. We think the best practice is not to disclose the bidding habits of competitors.

Mr. McGRATH: Do you conduct an investigation into any of these firms which buy a large quantity, as to the principles of these firms?

Mr. RICHARD: In what way?

Mr. McGRATH: Do you examine the corporate structure of these firms?

Mr. RICHARD: As to their financial responsibility?

Mr. McGRATH: Yes and—

Mr. RICHARD: Generally we ask for cash before they get anything, so we are not much interested in their financial responsibility.

Mr. McGRATH: I am not thinking so much of financial responsibility as sort of an investigation of the individuals who comprise these firms in order to ensure that things are being properly carried on.

Mr. RICHARD: We have had a number of investigations made; but I am not sure exactly what you mean.

Mr. McGRATH: I have a case in point but I do not think it would be relevant to the committee if I elaborated on it. I am thinking specifically of one or two firms on this list who have bought substantial quantities in relation to the other firms listed here.