

Public Works Act

Just a few days ago we had a striking example of the way the awarding of huge contracts is being carried out of the realm of ordinary supervision. We had before us for consideration the bill to set up the St. Lawrence seaway authority. It was very noticeable that in the terms of that measure, although \$300 million is to be expended on the waterway part alone, there was no provision for the calling of tenders. An explanation was given which perhaps might gain acceptance by many hon. members. The argument was put forward that there should be no provision in regard to tenders in that measure because the door had not yet finally been closed upon the possibility that there would be co-operation between the government of the United States and the government of Canada in carrying forward the project. It was contended that perhaps their methods might not conform with ours, and that therefore it would not be wise to place restrictions in our act creating authority which might not conform with the practices the United States government would wish to follow. Nevertheless the fact remains that in those huge expenditures provision for tenders has been avoided.

Then we had under discussion earlier today the new provision in regard to crown corporations. There again we have a case where very large contracts are allocated in relation to what is essentially public business, without the necessity of tenders. For that very reason, as other measures themselves carry so much public expenditure beyond the tender system, I suggest that we should be putting in more restrictive rather than less restrictive definitions at this time.

Without going into that too extensively, I suggest that this government itself has afforded reasons why it should not now be asking for the relaxation of provisions of this kind. In the report of the Auditor General to the House of Commons, which we have just received in these last few days and which covers the financial period 1950-51, we see several references to practices which indicate the need for greater rather than less caution in matters of this kind. Already, under the section which would be repealed by the bill now before us, it was possible to dispense with tenders where there was a suggestion that there was an emergency. On page 11 of the Auditor General's report we find this:

Case 1. On February 28, 1951, the Department of National Defence instructed the Canadian Commercial Corporation to procure 200 quonset type huts by March 31, 1951. At the same time the department indicated that a Canadian supplier was in position to make immediate delivery and that "if necessary, this department is prepared to send a representative to the manufacturing plant of the

successful tenderer and accept delivery as the huts in question are loaded for shipment to their final destination." A contract was awarded without (a) advertising for bids, or (b) the governor in council giving prior consent to the award. \$948,142 was paid in the fiscal year 1950-51. The records indicate that the huts were stockpiled.

The government has just been told by its Auditor General that its practices are already extremely loose. This does not, of course, refer specifically to the Minister of Public Works (Mr. Fournier), whose smiling explanation would be most difficult to disregard if he gave it in the general terms he has already used to argue in support of the bill. Nevertheless, I say, the fact remains that here is a clear statement by the Auditor General that this government already finds it rather convenient to disregard the limitations that exist. And in this instance there was no urgent emergency for the acquisition of the huts—because they were stockpiled and not used immediately—if they were availing themselves of the provision that the need may be regarded as an emergency.

Then we have other cases set forth in the Auditor General's report. In some instances a device was employed that is constantly subjected to criticism when it is adopted. I refer to those occasions where original contracts were let by tender, and then at a later date there were readjustments of the contracts awarded for very much larger sums, with the simple explanation that these were extensions of original contracts. We find an example of this at page 8 of the Auditor General's report, where it says that vote 296 was for a firm contract of \$179,182. That was the contract price arranged after tenders had been called. Following discussion and certain extensions that contract was increased to \$365,232, in other words to slightly more than twice the original amount, without any subsequent tenders being called for. Then it is explained that in the case of vote 297 the original contract, following tenders, was approved at a figure of \$49,836, and that in that case there was subsequent discussion and readjustments and a new contract was awarded for \$89,832.

I mention those as examples furnished us within the past few weeks by the report of the Auditor General, where he shows a tendency on the part of the government to disregard the provisions of the act as it stands. And when we remember that provisions of this kind apply to all government departments including those departments which are purchasing enormous amounts of material at this time, then I suggest this goes far beyond any minor amendment. This would tear away completely the protection that has been