

Hon. Mr. ABBOTT: I was hoping the committee would feel that this could stay in because I do not think anybody would be prejudiced by it.

The CHAIRMAN: Does section 39 carry?

Carried.

Mr. MACDONNELL: I would like to say this, Mr. Chairman: Mr. Fleming is not able to be here, but I would not like to feel that he would be precluded from saying something about it in the House of Commons.

The CHAIRMAN: Oh no. If Mr. Fleming gets here tonight before the minister has gone, I do not see why he should not be able to put a question on it.

I received a communication from the secretary, or the assistant general manager of the Canadian Construction Association. I have his letter before me and I think I am bound to read it to the committee. It deals more with bill 26 and it concerns public works more than this one, but since a public body of that importance has communicated to the committee, I think we should take notice of their letter. So I shall read the letter as follows:

*Re: Bill No. 25 and Bill No. 26*

Dear Mr. PICARD:

In introducing bill No. 26 in the House of Commons on November 23, Mr. Fournier stated that it would be consequential on the passing of bill No. 25 (The Financial Administration Act). The present Act provides that the minister shall invite tenders by public advertisement except in cases of pressing emergency, where work is being carried out by government employees or "where the estimated cost of the work is less than \$5,000 and it appears to the minister, in view of the nature of the work, that it is not advisable to invite tenders". This latter exception is changed in bill No. 26, however, to read that tenders may not be invited publicly if "the minister is satisfied that the nature of the work renders a call for tenders by public advertisement impracticable...".

Officials of the Department of Public Works have advised us that a stipulation setting an amount over which tenders on federal construction jobs would have to be publicly invited would likely be included in the regulations provided for in section 39 of bill No. 25. While this section states that "Governor in Council may make regulations with respect to the conditions under which contracts may be entered into...", it is understood that present intentions in this regard only contemplate the setting of an amount over which contracts will have to be approved by the Governor in Council or the Treasury Board. In summary, therefore, bills No. 25 and 26 would seem to enable ministers to award contracts to up to, say \$25,000, without approval of the Governor in Council or the Treasury Board and to refrain from publicly inviting tenders if considered impracticable to do so. No details are given with regard to the conditions where public tenders calls might be deemed "impracticable" nor is any limit placed on the size of such projects.

It is appreciated that the purpose of bill No. 26 is intended to legalize current government practice in the awarding of contracts without the calling of competitive tenders with regard to repair or renovation jobs and some projects in remote areas. Such a procedure, it might be added, is the accepted practice throughout the industry. At the same time, members of the construction industry on being advised of the contents of bill No. 26 expressed concern that it might tend to facilitate the relaxation of current practices concerning the public invitation of tenders on federal projects in some departments.