

exploration project. I refer to what the hon. member for Laurier (Mr. Chevrier) said about our contract awarding system.

Serious criticisms were levelled against us. The hon. member for Laurier took me to task, as a minister, to reprove the policy we have followed—that is not to call tenders for such contracts.

We invite quotations from the air transport board which comes under the Department of Transport. We establish the cost of the operation for each firm, or the cost of transportation of material, from the point of departure to distribution. Aircraft such as the Bell and the Sikorsky must be dismantled before being shipped to site on heavy cargo planes and re-assembled once they have reached destination.

Our policy is not to call tenders, and it is the same as that which was established seven years ago, that is before I took over and before the present administration came to office.

Therefore there have been no changes.

I regret that the hon. member for Laurier is not at his place now, but on the other hand I was not here when he made his remarks and my answer is not any more severe than the attack he levelled at me. As a matter of fact, I am surprised at the attitude of the hon. member. He stated that the procedure I have followed is entirely inadequate and that he disapproves of the system of not calling tenders for such work.

I just said that we followed the practice introduced in 1954 and I am surprised that he said in this chamber that the method was inadequate, because when he was minister of transport in 1954, he preached an entirely different doctrine. He was against the principles of calling for tenders, and that year—

**Mr. Pickersgill:** What date?

**Mr. Comtois:** I will give it to the hon. member. The hon. member for Laurier made his statement here on March 28—

*(Text):*

**Mr. Pickersgill:** The date I wanted from the minister was the date in 1954 when these contracts were given without asking for tenders.

**Mr. Comtois:** I think it was in February, 1954. I can check on that; I have some means of checking the exact time.

*(Translation):*

At that time the then minister of transport, Mr. Lionel Chevrier, complained to the minister of mines, the Hon. George Prudham, for having called tenders. He was blaming him for having disregarded the instructions

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given by the government, and for not following the procedure, which we have since then been following. The proof—I have to give proof, for the hon. member has reproved that practice which was the exact opposite of what he was preaching—is that on February 25, 1954 he wrote the following letter to the then minister of mines, Mr. Prudham:

*(Text):*

Honourable G. Prudham,  
Minister,  
Department of Mines and Technical Surveys,  
Ottawa, Canada.

My dear colleague:

A number of instances have recently arisen where departments have called for and received tenders for commercial air services which were not in accord with air carriers' licences or with their publicly filed tariffs. This is creating considerable embarrassment for the air transport board and is raising difficulties within the industry itself.

This situation is, no doubt, due to the usual changes in personnel of government departments.

The public filing of air carriers' rates have been incorporated in the Aeronautics Act to ensure fair treatment of the public and to avoid the unethical rate-cutting that injured Canadian aviation in the 1930's. The Post Office is the only exception since by statute it may set its own rate of payment.

Some years ago it was found that a number of government departments did not understand this legal position and were calling for tenders for air transportation from commercial air carriers within Canada. This encouraged the air carriers to tender on services which they were not licensed to perform or at rates which were not in their filed tariffs and, therefore, not valid rates.

To correct this situation, the attached cabinet directive No. 12 was issued to all departments in 1949 pointing out that any department wishing to purchase commercial air services could obtain full information regarding air carriers licensed to perform the services required and the legal rates of such air carriers from the air transport board. The cabinet directive established that the tender procedure should not be followed by government departments in this field, except in specialized cases such as aerial photography and surveying or other types of specialty service where the provision of transportation is not involved and where air carriers have not been required by the air transport board to file tariffs.

Because of the situation that has developed, it would be appreciated if your deputies would draw the cabinet directive to the attention of your purchasing staff and other appropriate departmental personnel.

I have a copy of the instruction or the cabinet directive.

**Mr. Pickersgill:** That is fine.

**Mr. Comtois:** So my department has followed exactly this cabinet directive.

*(Translation):*

I fail to understand why the hon. member for Laurier blames me for following the instructions issued by the cabinet at that time when he urged his colleague to comply with