

Proceedings on Adjournment Motion

would refer her to section 469 of the act. When the act was passed "normal payment" was defined as follows:

—the payment that would have been made to a railway company for a year if the sum specified in subsection (2) for that year was available to be divided among the eligible companies as a parliamentary appropriation to reimburse eligible companies for maintaining the level of rates for freight traffic at a level that would satisfy Order No. 101055 of the Board of Transport Commissioners for Canada dated April 27, 1960.

Mr. Speaker, without attempting to explain the order referred to I would draw the hon. member's attention again to the fact that total normal payments are declining by the amount of \$12 million per year to 1974, at which point they will end. These matters are technical and are somewhat difficult to explain without going into a great deal of detail. However, I hope my explanation has been of some assistance to the hon. member, and for more detail I am sending her a copy of section 469 of the act to which I have referred.

SUPPLY AND SERVICES—LETTING OF CONTRACTS WITHOUT COMPETITIVE TENDERING

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on April 30 I asked the following question of the Minister of Supply and Services (Mr. Richardson):

Since \$1.8 million was paid to one consultant firm for federal contracts in the last two years without competitive tendering, can the minister indicate what guarantees there may be against abuses in awarding contracts on the basis of non-competitive tendering?

Mr. Speaker suggested at that time the question was somewhat wide in scope, hence the reason for debating it tonight. In answer to question No. 675, which was an inquiry of the minister, I received certain figures. Perhaps I should put the question on the record. It was:

1. How many federal contracts have been let to the consulting firm of Kates, Peat and Marwick, in 1968 and 1969 (a) what was the total cost of the contracts in 1968 (b) what was the total cost of the contracts in 1969?

2. How many of these contracts for consulting services were awarded by competitive tender?

3. Were there any contracts let to the firm of Kates, Peat and Marwick concerning the survey of coal reserve estimates in any part of Canada and, if so, in what areas?

In response to that inquiry it was indicated that the Department of Agriculture had \$20,350 with no tenders; CMHC, \$2,000 with no tenders; Consumer and Corporate Affairs, \$3,525 with no tenders; Energy, Mines and Resources, \$5,000 with no tenders; Department of the Secretary of State for External Affairs, \$10,000 with no tenders; Industry, Trade and Commerce, \$13,000, two on competitive tenders; again, Industry Trade and Commerce, \$65,200 with two contracts, one of which was on the basis of a tender; Manpower and Immigration, \$40,020, no competitive tenders; the department of the minister responsible for housing, \$5,000, no tenders; National Defence, \$30,000 were tendered; Treasury Board, \$320 with no tenders; National Health and Welfare, \$23,108 with no tenders; National Revenue, \$9,500 with one competitive tender.

[Mr. Duquet.]

The next one I cannot make out, but it amounted to \$294,475, involving three contracts, one on a competitive tender basis. Then, the Privy Council, \$4,000 with no tenders; the Public Staff Relations Board, \$8,700 with no tenders. Then we have the Department of Regional Economic Expansion, with two contracts amounting to \$17,500, one on a competitive tender; the Department of the Secretary of State, \$9,145 with no tenders; and the Department of Transport, with \$1,523,173 with no competitive tenders. Canadian Transport Commission, \$46,795, no competitive tender; the National Harbours Board, \$11,800, one competitive tender; Treasury Board, \$113,700, no competitive tender.

• (10:10 p.m.)

This amounted to \$2,256,311. These figures amount to close to \$2 million in respect of which there was no competitive tendering. Mr. Speaker, the main reason behind this question is to find out whether or not there have been any abuses in respect of tendering, when so few competitive bids are called for. I am not questioning the firm involved at this time or the ones granted the \$2,256,311 in contracts, but it does make one wonder why that one firm with no competitive tendering is allowed to obtain so much of the taxpayer's money. There would appear to be a sharp increase in non-competitive tendering and the people of Canada are entitled to know the reason for granting contracts without competitive tendering.

We ask whether contracts should not be granted based on merit, and should they not be granted based on equality and fairness to all consulting firms. How can Canadian-managed and owned consulting firms establish themselves if they are not given an opportunity to bid on contracts? Who has the right to determine ability, in so far as consulting companies are concerned, to bid on these contracts? I suggest departments should not have the right to determine who should have an opportunity to obtain this type of contract.

I suggest Canadians are entitled to protection from being scalloped, and the only way this can be done—I agree there may be a few exceptions—is to put contracts up for competitive tendering. I am sure no one in this country would like to think that pork-barrel politics are involved in this type of non-competitive tendering. Therefore, I would ask the parliamentary secretary, who is kind enough to be here this evening, why so many contracts have been let on a non-competitive tendering basis and why there appears to be an increase in this type of non-competitive tendering in so many departments of government.

Mr. Alastair Gillespie (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I welcome the opportunity to reply to the hardworking member for Moose Jaw (Mr. Skoberg).

Mr. Knowles (Winnipeg North Centre): You are a man of perspicuity.

Mr. Gillespie: He has shown an impressive interest in management consulting, although whether or not he feels