

second cheque was accepted by the department and retained by them. It was definitely understood that the original tenderer, a man named Campbell, was not prepared to go on with the work. A second tenderer comes on the scene; Campbell's cheque is returned; the cheque of the second tenderer is retained, and he subsequently finds out that another man has the contract. The work is being performed by a third party. That is what we do not understand.

Mr. STEWART (Leeds): At the lowest tenderer's price.

Mr. STEWART (Edmonton): That does not enter into the transaction at all. The cheque of the second tenderer was accepted by the department. It was clearly the intention to give the work to Campbell if he performed it, and evidently an arrangement was made with one Maynard, who was the second tenderer, at the same price for which Campbell had tendered. His cheque was accepted, and now we discover that a third party has entered into the arrangement, who evidently had tendered at a much higher price.

Mr. VENIOT: Did Downing tender previously to—

Mr. STEWART (Leeds): Originally Mr. Downing did not tender.

Mr. VENIOT: Which makes it all the worse.

Mr. DUFF: Were new tenders called for by advertisement?

Mr. STEWART (Leeds): It was all arranged between the parties and the price was satisfactory.

Mr. DUFF: How did Downing get the contract; how did he enter into the picture if he had made no tender?

Mr. STEWART (Leeds): The lowest tenderer asked to be allowed to withdraw his tender.

Mr. MacLEAN: Mr. Chairman, the situation is this: Mr. Campbell was the lowest tenderer and he was advised to that effect. He decided that he would not accept and Maynard being the next lowest tenderer, he and Campbell agreed that Maynard would take the contract at the original lowest tender price. The department signified their willingness to that arrangement and the contract was transferred to Maynard and he was requested to send in a deposit cheque, which he did. The department may say that no contract was entered into, but I claim that that action was equivalent to entering into a

contract. A man had been advised by letter from the department that his tender was the lowest and had been accepted. He was asked to forward his cheque, which he did, but we now find that Mr. Downing has been awarded the contract, a gentleman who never tendered in the first place and who never entered into the picture until February last, when Mr. Maynard was notified that Mr. Downing had the contract. These facts should be brought out because we should know whether or not the department is going to follow the practice of awarding contracts after a tender has been accepted and the deposit cheque received and held for many months. After that procedure has been followed, is the department going to permit another man to submit a tender without advertising for new tenders? I think the committee and the country should have a full explanation of the whole thing.

Mr. STEWART (Leeds): My hon. friend has not quite correctly got the facts. The cheque of the second tenderer accompanied his tender; there was no cheque sent in as my hon. friend suggested. The cheque was retained and then returned with interest.

Mr. MacDONALD (South Cape Breton): He was never notified.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

CIVIL SERVICE ACT AMENDMENT

PREFERENCE TO CANADIAN VETERANS RESIDENT IN CANADA FIVE YEARS

Mr. O. L. BOULANGER (Bellechasse) moved the second reading of Bill No. 18, to amend the Civil Service Act (returned soldiers' preference).

Some hon. MEMBERS: Explain.

Mr. BOULANGER: The first matter with which this bill deals is to amend section 29 of the Civil Service Act. Paragraph 4 of section 29 reads:

In all examinations for entrance into the civil service the persons named on such special list who are found to possess the necessary qualifications, shall be named, in the order of merit, on the list of successful candidates above all other candidates; and all other persons who have been on active service overseas on the military forces or who have served on the high seas in a seagoing ship of war in the naval forces of His Majesty, or of any of the allies of His Majesty, during the war, who have left such service with an honourable record, or who