

Mr. FORGIE: Mr. Chairman, arising out of some of the remarks made by Mr. Golden, there is rather an unfair practice carried on in my section of the country, in north Renfrew, and that is in respect to asking for tenders to supply goods from both wholesale and retail stores in Pembroke. For instance, small stores in Pembroke cannot compete with Loblaw's or A & P. I wonder if that situation could not be looked into, for some more satisfactory method.

Mr. GOLDEN: I am not familiar with it, but I will be glad to look into it.

Mr. LAMBERT: Mr. Chairman, referring back to the question raised by Mr. Carter: is it a factor that the Department of National Defence has concentrated their major depots—for instance, the air force has two supply depots, one near Toronto and one at Edmonton, and their call for supplies is f.o.b. those supply depots. But particularly with regard to the army, they have theirs concentrated in Ontario and they have only regional ordnance depots, and the requirements to have it f.o.b. the R.O.D. are rather limited.

I have come across that with respect to a number of western manufacturing firms, who say, "We just cannot put the goods into Ontario, in competition with Ontario and Quebec manufacturers". You have not got control of where the services have their supply depots; but do you think that is a fair appreciation of the situation?

Mr. GOLDEN: There are cases where this could create difficulties, yes; and it is for that reason that, as I understand it, there is still a continuing discussion going on between the two departments, to see whether it would be appropriate to suggest any changes in the depot system—and whether this examination will indicate it is so appropriate to do so, I do not know.

Mr. CARTER: Is there any justification for that? How do you justify that arrangement?

Mr. GOLDEN: I do not justify it, Mr. Carter; it is a matter which is under the control of the Department of National Defence. However, it, of course, is justified on the basis that it is not economical to have a large number of depots unless you have a large number of units, people and services, which have to be serviced from those depots.

Mr. CARTER: I was not referring to that; I mean requiring the goods f.o.b. Why not give everybody a chance to say what they can produce it for, and let the department absorb the transportation costs? That would put everybody on an equal footing.

Mr. GOLDEN: The analyses which we have made indicate that this is the cheapest way of procuring defence supplies. I know that is not a good answer, if it is filled with inequities as a result. However, I am not sure it is.

The CHAIRMAN: Is this under constant consideration?

Mr. GOLDEN: Yes.

Mr. HELLYER: Or, continuing consideration?

The CHAIRMAN: Yes, that is better.

Are there any further questions on the statement?

Mr. CARTER: Before we leave the figures which Mr. Golden gave this morning, I would like to ask if there is an explanation of the uniformity which appears in the figures? For example, for the first three quarters of 1959, the bids requested on the subcontracts—

Mr. GOLDEN: You may not have seen the actual document; there is a note saying that for the first three quarters, we have to average them. That is why I suggested, perhaps, you should have this. For the first three quarters of 1959, we had to average them.

Mr. CARTER: I thought it was a strange coincidence that in three quarters you would get the same figures.