

Private Bills

the supply of heat and power for the miners' homes depended upon the operation of the mine's power plant.

Nevertheless, there are wide areas of government purchasing which have no clearly defined directive setting out a policy of Canadian preference. I refer to the thousands of purchase orders and contracts under \$15,000 which are placed by scores of purchasing agents in the various departments of government. There may be individual departmental directives according to the thinking of the individual minister responsible for the department, but there is no clear-cut over-all policy applied uniformly to all departments. The one rule which does apply to all departments is that the lowest tender meeting specifications is to be given first consideration. On contracts over \$15,000, treasury board does have the authority to take into account whether the lowest tender is the proper tender to accept, having due regard for the interest of the taxpayer and the well-being of the Canadian economy as well. In other words, treasury board can and does approve a higher tender if in its opinion the beneficial effect in terms of employment outweighs the increase in cost. Treasury board can do this because it has cabinet representation and is in a sense a policy setting board. The individual departmental purchasing agent does not have this authority and must go by the general rule in regard to the lowest tender being accepted as long as the tender meets all requirements.

There is another area of government purchasing which is not subject to any control at the present time in this regard. I refer to crown corporations such as the Canadian National Railways, Trans-Canada Air Lines, the Canadian Broadcasting Corporation and other government boards and commissions which report to and are responsible to parliament but which are not direct government departments under the immediate control and direction of a minister of the crown.

Crown corporations have multiplied in the past few years and have increased in importance to the point where their purchasing impact on the Canadian economy has become of major importance. These crown companies need pay no attention to the policy of the government but can set their own policy, and in many cases this policy does not conform to either the policy of this government or of previous governments in regard to a Canadian preference.

Government departments have from time to time been given directives to "Buy Canadian" but crown corporations have never been given any such instructions. In fact, in several

instances at least, Canadian companies have not even been given equal consideration with foreign suppliers.

For instance, all of the engineering services for the building of the C.N.R. multi-million dollar Place Ville Marie project in Montreal were contracted to engineering firms in New York city, although we had equally competent engineering firms in Montreal, Toronto and, I might add, Vancouver. It is safe to say that literally hundreds of engineers, draftsmen and technicians were employed in New York on a Canadian job though these same skills may have been unemployed in Montreal or Toronto.

The C.N.R. would say in advance that this is the responsibility of their agents, but I do not think it would have been too difficult for them when they were negotiating this contract to have given instructions to have written into the contract that Canadian engineering services, Canadian products and Canadian materials were to be used in carrying out this project.

The same instructions could have been given to R.C.A., the C.N.R. agents who are now building a microwave system in northern British Columbia and the Yukon. If this instruction had been given I know of several contracts, now gone out of the country, which could have been retained in Canada. I know of one project which would have resulted in approximately 100,000 man hours of labour in Vancouver which was, in fact, lost to this country as a result of the operations of the present system.

I wish to repeat the statement I have already made, namely that there are wide areas of government spending which are not covered by present government directives. An act of parliament would cover all these areas as they exist today and as they may exist in time to come. An act of parliament would give legal sanction to a Canadian preference and an act of parliament could declare this preference in wide terms which would be a guide to officials of government departments and agencies subordinate to this house who have the responsibility of spending public moneys in the purchase of goods and services. Government policy would be set by this house rather than being left to the discretion of scores of purchasing agents in government departments and crown companies who now have no clear rule to guide them. I believe the adoption of this bill will be equally beneficial to the Canadian economy by giving leadership to the various provincial governments.

Provincial purchasing policies usually favour local products, and in certain provinces local products have price preference over products from other provinces. I have pointed