

● (2212)

In other words, the tendering process has gone out of the window. "Socio-economic considerations" is nothing but a new terminology for Liberal patronage. There are ten provinces and two territories and all should be treated fairly.

Here is a partial list of special patronage accorded to Quebec. Public Works for 1977 awarded a total amount of \$306 million of which Quebec received \$173 million or 58 per cent. The other nine provinces shared 42 per cent. DREE grants for 1969-1977 accorded 30 per cent to Quebec and 70 per cent to the other provinces. Equalization grants of 52 per cent went to Quebec over the past ten years with 48 per cent to the other nine. So now we know about this new terminology, Mr. Speaker.

The minister has unbelievable powers and is downgrading the whole democratic system of tendering by stating we should ignore the lowest bidder in Canada and give government computer business to Quebec even though they cannot compete with the lowest bid. I have information that the president of the Montreal-based firm of Industrial Life Technological Services, Mr. Philip LeMay, was a school chum of the minister responsible for housing. IST was the firm which was awarded computer contracts. This is probably the reason IST received the contract.

I would like to ask the parliamentary secretary to confirm this and to answer two other questions tonight or give the answer by letter as soon as possible. My first question is: Will tenders for federal government computer contracts from now on be publicly opened or will they be kept secret and only the firm receiving the contract be announced? My second question is: Has the above-mentioned firm, IST, had a complete RCMP security check of its employees and have all its employees completed the DSS form on security which is a condition of employment with firms doing computer contracts for the federal government?

This question is most important and I hope the minister will supply an answer to me by next week. The reason I mention this, Mr. Speaker, is that today it was brought to our attention that letting the contract to IST has caused duplication problems and the Montreal-based firm has not been as efficient as Data Crown, an Ontario-based firm, because of the fantastic growth of their service. They cannot properly cope.

This issue of security was discussed in great detail in the Standing Committee on Public Accounts in February of this year. At that time Mr. Baxter, a federal civil servant, stated:

—if programs were modified by design, that is, if someone deliberately modified the programs to subvert some of the normal control procedures, that would be a serious breach of the normal process.

You can play around with computers, Mr. Speaker, and I have information that this Montreal-based firm has not been properly scrutinized by the RCMP. I do not have time to read all the detail of that committee meeting in February of this year, but that is why I raised that question tonight.

In a news report today with respect to this Montreal firm receiving computer contracts it is pointed out that:

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In one case—\$1 million for National Health and Welfare computer services awarded through the Department of Supply and Services—the contract went to Montreal-based IST despite the fact it did not submit the low tender—

So the low tender process has gone out of the door—we are into this new form of patronage, the socio-economic process which the Minister of Supply and Services has just recently introduced. The article goes on:

In a second instance, a contract for Industry, Trade and Commerce, formerly held by Computel Systems Ltd., also channelled through Supply and Services, went to IST "because of political considerations"—

That is the new socio-economic process, the new terminology for patronage. We also find some indication that the government was trying to direct business into Quebec. In the same article it says:

Everyone has to recognize that ministers of the Crown, whether you like it or not, have the final say.

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So they have the final say, and it does not mean that the lowest bidder is accepted. The computer firms feel the evaluation and final award was not made on the basis stated in the tender, and they may be right. If they do not like what the ministers of the Crown say, the only recourse they have is to our democratic system, which means we have to wait until the next election and vote for another political party if we do not like the process. Is that a proper way to handle the tendering system? Ontario computer companies, upset by government contracts going to Quebec, say they are not getting full information when they bid on government jobs. This is part of the socio-economic theory which is now being presented by the minister. The Canadian Association—

Mr. Deputy Speaker: Order, please. I have to interrupt the hon. member.

Miss Aileen Nicholson (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, the Minister of Supply and Services (Mr. Goyer) has had on many previous occasions the opportunity to speak in this House, as he did this afternoon, about the basic procurement policies of the government and its contracting policies according to the objective set out in the main estimates approved by parliament, which reads as follows:

To acquire and provide in the most economical manner goods and services required by departments and agencies, taking into account the contribution of procurement to the realization of national objectives.

The hon. member for Winnipeg South Centre (Mr. McKenzie) in his question this afternoon referred to two contracts awarded by the Department of Supply and Services to the firm IST of Montreal. The first one was for the Department of National Health and Welfare. The tender called for information to allow for an evaluation of estimated costs over a four-year period. In evaluating the bids, the dollar figure arrived at was based both on the firm rates and on the best estimate available of the anticipated work load and mix.

When the evaluation was completed, allowing for the varied nature of the pricing formulae contained in the proposals, there were three bids which were approximately equal in terms