

in agreement with. No. 18 is adopted. No. 19 is also subject to result of trials. No. 20 will be adopted in time. No. 21 we do not agree with. No. 22, subject to trials.

Mr. CHOWN: Would you just pause there a minute. Going back to No. 20—

Refuse improperly made bids; assigned control over files of sealed bids to a senior official; place personnel and files concerned with sealed bids in a private office.

The implication there is that you call for tenders, and that they have to be submitted in a certain way, but some of these have come in in a improper form and have not been rejected on that ground. Is that true; is that the explanation?

Mr. RICHARD: Would you mind repeating that?

Mr. CHOWN: No. 20 says:

Refuse improperly made bids; assigned over files of sealed bids to a senior official; personnel and files concerned with sealed bids in a private office.

What is the procedure now? That might be a good way of getting at it.

Mr. RICHARD: There are three recommendations really in that one:

Refuse improperly made bids.

That refers to bids which come to us open. We have asked for sealed bids for the client's own protection. If he chooses to send them in an open envelope, or as an ordinary letter, he is surrendering that protection; and the alternative would be to send it back to him and ask him to send it in a sealed envelope; and by that time the bids would be closed.

Mr. CHOWN: Your practice here, heretofore, has been to accept an open bid?

Mr. RICHARD: Yes.

Mr. CHOWN: In spite of the fact you call for sealed tenders?

Mr. RICHARD: Yes.

Mr. MORTON: Is there not an opportunity, in such open bids, of someone on the staff putting in improper figures?

The CHAIRMAN: Changing them, raising or lowering them?

Mr. MORTON: Yes, changing them, raising or lowering them?

Mr. RICHARD: The receipt of bids, their custody, and the opening of them, is all done by a staff which has no contact with the purchasers.

Mr. MORTON: Still, that is rather a dangerous operation, I would say.

Mr. RICHARD: We have asked them time and again, that is the customers—

Mr. MORTON: It is not just a danger to the customer—but also a danger to the operation of the whole thing.

The CHAIRMAN: A temptation.

Mr. MORTON: Yes, a temptation.

Mr. RICHARD: They are not very numerous.

Mr. SMITH (*Winnipeg North*): Why not refuse them then?

Mr. CHOWN: Why do you say, in answer to my question, "What are you going to do about No. 20?" "Yes, in time.?" What is involved in terms of time in order to implement No. 20? It seems to me it is a very simple thing to do it immediately.

Mr. RICHARD: I think we had come to a decision on that one, to refuse them and return them.

Mr. CHOWN: When?

Mr. RICHARD: In these meetings of our senior staff.