

Mr. BERTRAND (Laurier): I should prefer to make it in committee. The statement is very short.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Mr. BERTRAND (Laurier): During the war some bonus was given to mail contractors by virtue of order in council P.C. 8490 dated October 31, 1941. A bonus of five per cent was given, as an increase, to cover the extra expenses occasioned by higher gasoline costs, and the like. This order in council was extended to March 24, 1942.

On the same day another bonus was given to mail contractors by virtue of orders in council 2311, 5833 and 4960. That was to recompense mail contractors who were operating under contracts which from their standpoint were not equitable in view of the changed conditions brought about by the war. It did work to the extent that \$278,533 was given by way of bonus by virtue of the first order in council, namely that of October 31, 1941.

In 1946 that amount had been reduced to \$90,000 because when we gave the second bonus the first bonus was included, and there was left only a certain amount corresponding to an increase of \$90,000 on the first lot of contracts which were increased by virtue of the first order in council.

These bonuses are about to expire on March 31, unless they are extended by virtue of any new law which might be passed. We think it would be unjust to limit these contracts to the price they carried at the time they were passed, and we wish to include the bonus in the extension of the contract after March 31.

A certain number of these contractors never asked for any increase, and have carried on in that way. Of course we are giving bonuses only to those who did ask—with the exception of the first, which was an increase of five per cent on all the contracts entered prior to April 29, 1941. We feel sure however that certain contractors should have asked for increases, or for supplementary payments, and we would like to be able to give them a supplement which would correspond reasonably with the amount that has been obtained by the others, and which we intend to continue to pay in the extension of the contract.

Mr. FRASER: Would that be dated back? It would be retroactive?

Mr. BERTRAND (Laurier): No, it is not to be retroactive.

Mr. FRASER: That would not be fair.

[Mr. Graydon.]

Mr. BERTRAND (Laurier): We cannot run after contractors who have not asked for a bonus and give them bonuses on the ground that they should have asked for them.

Between the period March 1, 1943 to December 31, 1946 bonuses were given on 4,034 contracts. The new contract rate per annum is \$3,282,412, and the old contract rate per annum excluding bonus, was \$2,411,992. The percentage increase is 36.14. During the same period a number of contracts had expired, either through the death of a contractor or through abandonment of contracts. During the same period, against 4,034 in the first class, there were 4,164 contracts which were granted on tenders.

The tender rate per annum is a little over the tender rate for the contract with bonus; that is \$3,333,455. But the percentage rate increase is 36.60. On mileage covered, the contracts which we gave through tenders gave a mileage much smaller than on the other plan—and of course at a higher price. The mileage on the tender contracts is \$46.81 per mile while on the bonuses it is \$40.84.

If we were abandoning all these contracts on bonus today, and were not incorporating the bonus, we would have altogether about 4,000 contracts we would have to ask for before March 31. It takes about sixty days to call for contracts by tenderers and to ascertain the lowest tenders. It must be admitted that very often today we have to refuse even the lowest tenders because they are too large. The tenderers do not know how their contract costs are going to run, where they will begin or where they will end, and they do not take any chances. Of course when we succeed in obtaining a contract at what we consider a reasonable amount we grant it.

By virtue of this measure I should like to be in a position to continue payment of bonuses in the contracts still in existence, and to give a corresponding amount, which we call a supplement, to those who have no bonuses, who have not already asked for it, but who are ready to continue their contracts if they are given the bonus the others have had up to this time, provided that the bonus applied for is justified.

Mr. CASE: Does this mean that these contracts will not be put up for competition again?

Mr. BERTRAND (Laurier): It is the custom in the Post Office Department that if a contractor wants to keep his contract we give him a renewal. By that we save a considerable amount of money, because every time we enter into another contract the new contractor