

Refitting of HMCS "Bonaventure"

may act for the Queen's Privy Council for Canada pursuant to subsection (1) as may be specifically—

Then, we have section 6(b) which reads:

for the establishment of general administrative standards of performance and respecting the assessment of the performance of portions of the public service in the light of such standards;

I hasten here to add that it is for this reason that, at the moment, I think the President of the Treasury Board is the minister responsible to Parliament for the situation which now exists. This responsibility is separate from any previous involvement he may have had. I should also like to say for the record that it is well known the President of the Treasury Board was the Minister of Industry from July 25, 1963 until May 8, 1969. I believe this is correct. The Parliamentary Guide seems to indicate that is so. That is the background of the responsibility which I feel is unanswered here.

I should like to place on the record one other matter which I believe has some significance in respect of my interest in the *Bonaventure*. It will also indicate to the House that this matter was not suddenly sprung on the government, but goes away back. If the government is not aware of the way this whole business developed, I would point out to hon. members that everything is recorded in the debates for that period.

We might go back to the first reference I could find which is in *Hansard* for January 24, 1966. At that time I asked a question about the decision in respect of the repair and refit of the *Bonaventure*. Then, on February 3, the member for Burnaby-Coquitlam asked further questions concerning the *Bonaventure*. He was informed by the present minister that the bids had been opened. The contracts were not formally awarded until later, but he established that the bids from the Montreal shipyards were \$5.7 million and \$5.8 million and that the bid from the Saint John yard, which at that time we thought was away out of line, was \$8.5 million. The minister went on to other questions.

• (4:20 p.m.)

The hon. member for Cape Breton South, now the hon. member for Cape Breton-East Richmond (Mr. MacInnis), did not have any doubts at that time about where we were going. He put interjections on the record, even before the contract was let, which indicated there would be a severe escalation in costs. A supplementary question asked on February 3 by the hon. member for Calgary

[Mr. Bell.]

North, now the member for Calgary Centre (Mr. Harkness), has some significance in this respect. He asked the minister:

As a supplementary question, what proportion of the five million odd dollars is on the firm price basis?

The minister answered:

I have not got the figures here but I was told it was the major portion. If the hon. gentleman wishes to know, I will ascertain precisely.

That was when the first reference was made to the \$5 million. A question was asked whether this was a major portion, and of course the minister acquiesced.

Let us go on to other references in *Hansard*, so that the background on this can be established. The minister, in reply to another question, referred to good accounting practices. He was taken up on that by the hon. member for Pictou, now the member for Central Nova (Mr. MacEwan). I do not know what the minister meant by "good accounting practices". Then, of course, we had the little interlude when the minister was considering the contracts, and rightly so. He had quite a few weeks in which to go into the tender bids extensively before he officially awarded this contract. We had also the strange interlude when it was discovered that, before the bids had even been requested, the navy had been told the contracts were going to go to Quebec. Here was an odd situation. At least three firms had tendered for this contract, but previous to the call for tenders, the navy had started plans to go to Quebec city. I will not be sidetracked on that. The minister had talked of clairvoyance, but he thought it was after the fact.

There is only one other reference in *Hansard* that I think is important. On April 27 of the same year, the minister announced the formal awarding of the contract. At that time, the hon. member for Edmonton West (Mr. Lambert) asked:

Mr. Speaker, I have a supplementary question. Do any of these contracts have any contingency clauses such as those often contained in building contracts, as a result of which padding can take place often to the extent of 10 per cent

He spoke of 10 per cent; I do not know what the amount was finally. He went on:

If so, to what percentage do they exist?

The minister answered:

Mr. Speaker, these contracts do not contain contingency clauses.

So, that is the story. It establishes my interest and I hope also makes it clear to the