

Refitting of HMCS "Bonaventure"

ence on administrative actions of any kind by the government is through committees. The Public Accounts Committee is a good example of this. If attention is not paid to the reports of committees, if they are just filed and nothing happens in regard to them, there will be less and less interest among members in this House and less and less interest of the public in the operations of this Parliament; and our responsible, parliamentary system of government will go down the hill.

Some hon. Members: Hear, hear!

● (9:10 p.m.)

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, in response to the motion which is before the House, and in response to several of the remarks that were just made by the hon. member for Calgary Centre (Mr. Harkness), I welcome this opportunity to bring to the attention of the House some of the cost-saving practices and some of the improved, and I might say improving procedures that are now being implemented in my department. I would like not only the House but also the Canadian public to know that the procedures we have instituted are designed to protect the public treasury. What is of even more importance, Mr. Speaker, is that some of the results we have achieved have in fact protected that treasury and have saved the taxpayer's dollar.

Also, as the refit of the *Bonaventure* was referred to specifically in the motion before us, I would like to speak about a number of matters raised in the third report of the Standing Committee on Public Accounts which is, of course, their report on that refit. I think at the outset it would be useful for all of us to put the *Bonaventure* refit into what might be called historic perspective.

Mr. Dinsdale: Hysteric perspective.

Mr. Richardson: The methods and the procedures which the Canadian government has used to handle major ship repairs have been evolving and changing, and I believe improving, over many years. In the post-war years before the *Bonaventure* refit there was no competitive bidding; in other words, there were no firm contracts. Prior to the *Bonaventure* refit it was the practice of the Canadian government to negotiate the price and to rely in those days only upon cost-plus arrangements. Because of these unbusinesslike procedures that were in use prior to the *Bonaventure* refit it was decided to introduce

competitive bidding and the writing of firm contracts between the government and the successful bidder.

The *Bonaventure* was the first major refit in which there was competitive bidding and a firm contract, and because of this—because it was the first—I would say that it is understandable that government personnel may have lacked experience regarding estimating the total amount of work on a project of that size. However, the change to competitive bidding and to a firm contract was a step in the right direction and, as I will point out, the government's contracting procedures have continued to improve right up to the present day.

I have indicated in these remarks, Mr. Speaker, that I am responsible for a department that is vitally concerned with the efficiency of government, and I welcome the interest shown by members of the opposition and by the Standing Committee in improved procedures and cost-saving practices. I am pleased to be able to say that some of the recommendations made by the Standing Committee for improving the government's contracting procedures are already in effect in my department and this, I believe, is the answer to what the hon. member for Calgary Centre was speaking about a moment ago. For example the first general conclusion and recommendation made by the Standing Committee is:

That greater efforts should have been taken to determine and define the amount of work to be undertaken in the refit, prior to the seeking of public tenders.

Quite apart from the hearing on the refit of the *Bonaventure*, I established last fall, now some time ago, an interdepartmental study group to press on with our program of procedure improvements so as to prevent, or at least to minimize cost overruns on ship conversions, repairs or refits, and to ensure that all work that could be indentified was put in the specifications for the original tender call. This task force studied cases where cost overruns had occurred. They established the causes for such overruns and then developed a working procedure to reduce or eliminate these overrun difficulties.

The final report of this task force was given to me last March. It is several pages in length and covers in detail the procedures to be followed to achieve time, cost and performance objectives in the carrying out of refits, repairs and emergency docking of naval vessels. The Department of National Defence and