

*Oral Questions*

gation and the charges? I also wish to ask the Prime Minister whether it is usual, within his government, for officials to ignore a charge of bribery made by a lawyer of the distinction of Mr. Donald Kerr of Halifax until after a letter is received from someone in the government service at the level of Mr. Pitfield.

**Mr. Trudeau:** Mr. Speaker, it is not fair to say that the matter brought up by Mr. Kerr was ignored. It is quite apparent from the record that he made some allegations verbally, as he said, when he was mad. At that point the officials asked him to put the allegations in writing. Some weeks or a month or so later, I believe he proceeded to put the allegations in writing. The government acted upon those allegations. Investigation was followed through by the RCMP. Whatever evidence they gathered was given to the attorney general of Nova Scotia. At that point it was no longer in the hands of the federal government. There was no need to inform me of something which had been proceeded with routinely and had proceeded well. In Mr. Kerr's own words, his assessment is as follows: "I have no fault to find whatsoever with the higher echelon of the government in the way they handled this case. There was no suggestion of foot dragging or cover up. They reacted in a very smart and fast way. In fact, they reacted admirably."

**Some hon. Members:** Hear, hear!

ALLEGED BID-RIGGING BY SALVAGE AND DREDGING COMPANIES—GOVERNMENT VIEW OF NEED FOR PUBLIC INQUIRY

**Mr. James A. McGrath (St. John's East):** Mr. Speaker, I have a supplementary question for the Prime Minister. Since there seems to be a pattern of delay—

**Some hon. Members:** Oh, oh!

**Mr. McGrath:** I am talking about the delay in both investigations. According to the RCMP report, there is an identical pattern of bid-rigging in both the salvaging and dredging industries. Since the Auditor General has reported irregularities in dredging bids since 1963, in light of this evidence does the Prime Minister not agree that the public interest will be best served by a public inquiry?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I would ask the hon. member if he would not agree that in every case which was brought to the government's attention and knowledge, it acted admirably, to quote the gentleman who made the allegations.

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### THE CANADIAN ECONOMY

SUGGESTED GUIDELINES FOR COMPANIES ELIGIBLE FOR FEDERAL CONTRACTS—GOVERNMENT POSITION

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, I have a question for the Prime Minister. In light of the government's attempts to get the support of organized labour in dealing with the dual problem of inflation and unemployment now facing this country, is the Prime Min-

[Mr. Stanfield.]

ister prepared to indicate that the government will demonstrate its good faith toward labour by establishing a set of guidelines for companies in Canada which the government would expect the companies to follow if they are to be eligible for contracts with the federal government?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, the leader of the New Democratic Party knows the process which is going on now. This has involved consultations between the government and various sectors of the economy. He knows that this matter will be discussed at the federal-provincial conference to be held in a few weeks time. I will tell the hon. member that at this stage the process of seeking consensus would not be advanced by the government unilaterally making any announcement of the kind he suggests.

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● (1430)

### INDUSTRY

UNITED AIRCRAFT—REASON FOR GOVERNMENT ENTERING INTO NEW CONTRACTS IN VIEW OF STRIKE SITUATION

**Mr. Edward Broadbent (Oshawa-Whitby):** I would, then, refer to a specific instance and direct a question to the Minister of Public Works. In view of the bad reputation of the United Aircraft Corporation in Longueuil, Quebec, among its employees and having regard to the substantial federal grants made to this company, can the minister explain why in the course of the vicious strike which has been in progress during the last 14 months or so the government has entered into new agreements with that company? I should like the minister in particular to explain to the House the statement he made to representatives of the Canadian Labour Congress this morning to the effect that the government entered into these new contracts by virtue of prior agreements, especially in the light of the fact that the company itself, in explaining the recent contracts, made no such statement.

**Hon. C. M. Drury (Minister of Public Works):** Let me first correct the hon. gentleman's understanding of what I said this morning. This morning, in response to representations by the President of the Canadian Labour Congress, I explained that payments which had been made to United Aircraft arose from contractual arrangements which had been entered into before the start of the strike. There was no question, in the information I gave, of payments being made to United Aircraft in respect of contracts entered into subsequent to the start of the strike.

**Mr. Broadbent:** Then I should like to ask the minister if he would explain why the government entered into new contracts, as it has done during the period of the strike, with a company which has transferred a large part of its production from Canada to the United States during the last 14 months in violation of at least the ethics of its agreement, bearing in mind that the same company has refused to accept the Rand formula which has been accepted by the vast majority of good corporate citizens throughout the country?