

Mr. Deputy Speaker: I suggest that the Minister answer the question.

Mr. MacGuigan: Thank you, Mr. Speaker. Mr. McDonald has had a number of contracts with the Department of Justice. It is in pursuance of those contracts that he has been in the Department of Justice from time to time, when he is working on projects connected with the work of the Department. That is the explanation for his presence in the building.

PAYMENTS MADE UNDER CONTRACT

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, will the Minister also confirm that, in addition to the cosy arrangement I just indicated, among the contracts from his Ministry alone, Mr. McDonald or his company have received public relations contracts totalling, for instance, \$123,250 for the Peoples' Law Conference held by the Minister, and \$50,000, a nice round figure, for the Canadian Unity Information Office, which also happens to come under the Minister?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, if the Hon. Member wants information about contracts, this is all available in the usual way. There is nothing secret about any of these contracts. There have been contracts with the Canadian Unity Information Office with Mr. McDonald's firm, and contracts with the Department of Justice. They are all open and above board.

CONFLICT OF INTEREST GUIDELINES—REQUEST FOR INVESTIGATION

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is directed to the Acting Prime Minister. It follows on the questioning of my colleague from Durham-Northumberland with respect to Mr. Jim McDonald. The Acting Prime Minister will understand that Mr. McDonald is involved in a clear abuse of the conflict of interest guidelines set down by the Prime Minister on April 30, 1980, inasmuch as that, while he was acting as executive assistant for the current Minister of Justice while he was Minister of External Affairs, he was also working on a contract to organize the communications branch of the Department. That is in clear contravention of the conflict of interest guidelines of the Prime Minister. Will the Acting Prime Minister have this matter pursued and determine whether there is a conflict as I allege, and what is he going to do about that conflict?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Mr. Speaker, I thought that the answers given previously were complete. If there are aspects brought up by the question just asked by the Hon. Member, I will gladly look into it.

Oral Questions

MINISTER'S POSITION

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I gather I have to go right to the horse's mouth. Will the Minister of Justice confirm that while his friend, Mr. McDonald, former communications officer to the Prime Minister, was acting as his executive assistant, he at the same time was in receipt of a substantial contract to reorganize the Department of External Affairs, Communications Branch? Will the Minister acknowledge that not only is that a breach of conflict of interest as far as he is concerned, but also with respect to Mr. McDonald, who is an exempt staff member?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, as I answered previously, the Opposition can get all the information it wants about contracts that Mr. McDonald, his firm, or anybody else has with the Government. They can follow those sources to get that information. To the best of my knowledge, all contracts have been entered into in the ordinary way and do not involve conflict of interest.

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● (1140)

FINANCE

NORTHERN BENEFITS

Mr. Ray Chénier (Timmins-Chapleau): Mr. Speaker, it is my understanding that an announcement was made this morning concerning northern benefits. I would like to have the Parliamentary Secretary to the Minister of Finance elaborate on exactly what was said.

Some Hon. Members: Oh, oh!

An Hon. Member: That's not a question.

Mr. Deputy Speaker: That is hardly the kind of question that is normally put during Question Period.

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ENERGY

PETROLEUM INCENTIVES PROGRAM—GOVERNMENT POSITION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Petroleum Incentives Program is being billed as one of the biggest and most expensive failures in Canadian history. In the last 18 months we have seen something in the order of \$7.4 billion committed to frontier and offshore drilling. This money will be spent to drill something in the order of 145 holes, which will create roughly 5,700 jobs.

Would the Minister be prepared to admit that if the \$8 billion worth of public funds that is to be committed to this program were in fact to be diverted into conventional activities in the sedimentary basin, alternate energy conservation, heavy oil and the tar sands, Canadians would in fact be much closer