

It further states:

—should we come across activity that might be considered unpropitious to good government, even though short of provable criminal conduct, on the part of senior officials, elected or otherwise, it is our responsibility to make our concerns known—

in the usual manner.

#### AWARDING OF CONTRACT TO OERLIKON

**Hon. Bob Kaplan (York Centre):** That letter made it clear that the Commissioner's primary objective was to investigate land transactions.

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

**Mr. Kaplan:** If that is the opinion of the caucus, can I ask the Deputy Prime Minister if it is his understanding that the RCMP is now authorized to examine aspects of the Oerlikon contract that have been the subject of questioning and criticism in the House?

**Hon. Perrin Beatty (Minister of National Defence):** I wonder if the Hon. Member is aware of the interview given by his colleague, the Hon. Member for Sudbury, who is the defence critic of the Official Opposition, on *Question Period* on CTV last Sunday where he was asked the question: "Do you have any reason to believe, apart from the land scam itself, that there was anything questionable about the tendering process for the defence contract?" The response was: "No, I do not, Alan. I do know that there have been stories that the competitors also felt that it was a fair process in terms of how the bids came about."

[Translation]

#### REQUEST FOR ESTABLISHMENT OF COMMISSION OF INQUIRY INTO OERLIKON AFFAIR

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is for the Deputy Prime Minister and it too relates to the Conservative Government code of ethics.

According to a January 1985 *Globe and Mail* report an advertising contract had been awarded to Mr. Roger Nantel, a friend of the Prime Minister, on condition that some of the profits be paid into Progressive Conservative Party coffers. In his May 24, 1986 article Mr. Pierre O'Neil referred to the existence of a 5 per cent kick-back scheme, and again today we see a similar article in *Le Devoir*. Will the Government now set up a commission of inquiry into the whole Oerlikon affair? If not I would ask the Deputy Prime Minister what the Government has to hide in this affair.

[English]

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** The Government has absolutely nothing to hide. I wish to say to the Hon. Member that my understanding is that Mr. Nantel was quoted as saying if he was good enough to work for a Liberal Government, he surely should be good enough to work for a Conservative Government.

#### Oral Questions

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

**Mr. Boudria:** Mr. Speaker, there is nothing funny about public sector ethics.

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

#### HIRING OF PROJECT MANAGER

**Mr. Don Boudria (Glengarry—Prescott—Russell):** My supplementary question to the Deputy Prime Minister is again concerning the ethics of the Government.

Can the Deputy Prime Minister explain to the House why it is that Mr. Dugald Buchanan, an engineer with the Urban Transit Development Corporation, was dumped after being hired as a project manager for Oerlikon in favour of Peter Ohrt, a friend of the Prime Minister? Is there not something wrong when qualified people lose their jobs to unqualified friends of the Prime Minister? Does this not prove that there is something wrong with this whole sordid affair, and that we need a public inquiry, and we need it now?

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** The only thing that is untoward about this whole mess is the reckless way in which Hon. Members cast innuendo—

**Mr. Boudria:** I have the letter in my hand.

**Mr. Mazankowski:** —innuendo, smear, and suspicion, and there is certainly nothing funny about that.

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● (1125)

#### FORESTRY

##### ACID RAIN'S EFFECT ON GROWTH—REQUEST THAT CANADA-UNITED STATES LUMBER NEGOTIATIONS BE REOPENED

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, my question is for the Deputy Prime Minister. It concerns reports today of a study done by the Canadian Forestry Service which shows that the growth in the Canadian coniferous forests has been reduced by one-third as a result of acid rain. The Deputy Prime Minister knows that we have just gone through a major negotiation with the United States in respect of our softwood lumber industry. Would the Government be prepared to try to re-open that negotiation on the basis of the new evidence that not only is the United States doing damage to our lumber industry with respect to trade barriers, et cetera, but it is also doing damage to our industry with respect to its continuing inaction on the problem of acid rain? I am wondering whether on that basis the Government is considering re-opening negotiations with the United States on softwood lumber.

**Mr. Lorne Greenaway (Parliamentary Secretary to Minister of State (Forestry and Mines):** Mr. Speaker, I