

TENDERING OF CONTRACTS—GOVERNMENT POLICY

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, does the Minister not see any conflict of interest in having one of the Minister's personal friends positioned in the Minister's own office at the same time as that friend is running a private company that is doing business with the Minister's own Department and other Departments of the Government? Were any of these contracts, including the contracts with the Minister's Department, ever tendered?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, if the Hon. gentleman wants information about contracts, he could get it in the usual way. The fact is that this matter is proceeding in the way in which matters are normally conducted by the Government. There are no hidden facts, and my hon. friend can discuss all of them with me any time he wishes.

USE OF GOVERNMENT FACILITIES

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, the point here is that a former communications officer in the Prime Minister's Office is now using taxpayers' money for his own contracting and business purposes. I would ask the Minister of Justice if Mr. McDonald is now paying a reasonable rate for the use of the Minister's facilities and stenographic help, or is he in fact getting a freebie and indulging in the worst kind of patronage?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, to the best of my knowledge he is not using such facilities. He is a consultant, and he is available in various offices from time to time. He has been present in my office from time to time for that purpose, and that purpose only.

* * *

DISARMAMENT

REQUEST THAT PRIME MINISTER SEEK NUCLEAR WEAPONS FREEZE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Prime Minister. In yesterday's Throne Speech the Government said in part that it would "continue to advance proposals to slow the steady spiral of the arms race". We welcome that, for we in this Party have already advanced proposals to slow the steady spiral of the arms race, one of our key proposals being a nuclear weapons freeze starting with the superpowers. Therefore, will the Prime Minister, in his forthcoming visits to Washington and, I hope, to Moscow, urge the two superpowers to declare their support for an immediate nuclear weapons freeze, balanced and verifiable, followed by massive reductions in nuclear arms? This is a peace initiative that people everywhere would like to see.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I can at least agree with the intention of the suggestion of the Hon. Member that there should be a massive reduction. I would just remind her that the NATO countries announced,

Oral Questions

about a month and a half ago, that they would reduce their nuclear arsenal in Europe over a period of years by some 2,400 nuclear warheads. I certainly think that that should be the ultimate objective of the two superpowers in the negotiations both in START and in INF.

● (1500)

On the question of whether a freeze should be proposed first, I do not think that that is something that the superpowers would agree on, since they disagree on the different kind of deployment that the other has. On the objective of reduction, I agree with the Hon. Member and I certainly will discuss it in Washington when I go there in a short time and eventually I will in Moscow, if I go there too.

Ms. Jewett: Mr. Speaker, I hope the Prime Minister will address himself to the freeze. You have to stop the car before you can put it in reverse.

DEFENCE AND ARMS CONTROL RESEARCH

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in connection with yesterday's Speech from the Throne, may I also ask the Prime Minister whether it was his intention, in the one proposal that was made, namely, the funding of research in defence and arms control, to restrict the research and information gathering to defence and arms control or, as I hoped, was it his intention to have a much larger focus to include peace research, disarmament, and conflict resolution?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the comment that the Hon. Member made at the beginning of her question, that you have to freeze in order to go into reverse, I think the hon. lady forgets that in order to have a verifiable freeze you must have as intricate a set of negotiations as you need for reduction. That is why, rather than start with a freeze, with all the difficult paraphernalia of verification to see what would be frozen, when, and in what stages, it is better to go for reduction than a freeze.

In so far as her question on the matter raised in the Speech from the Throne is concerned, it would be a wider mandate rather than a narrower one.

* * *

THE ECONOMY

INTEREST RATE LEVELS—REQUEST FOR GOVERNMENT ACTION

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is also directed to the Prime Minister. He will know that today interest rates are just a coupy less than 10 per cent on the bank rate. That is the seventh straight increase in rates. The Prime Minister will know that if rates continue to go up all hope of recovery will be squished. Will the Prime Minister give the country an undertaking today that he will not allow the commercial prime rate to exceed 11 per cent, and that he