

*Oral Questions***NATIONAL HARBOURS BOARD****ALLEGATION OF IMPROPER PROCEDURE IN FILLING
VACANCIES—GOVERNMENT ACTION**

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the President of the Treasury Board. It arises out of a practice authorized by the Minister of Transport or his officials with regard to filling vacancies or job positions which will be created by legislation presently before this House. It has passed first reading stage, but has not yet received approval in principle, been before the committee or been passed. Will the President of the Treasury Board use his good offices to have this practice cease, not only because it is an affront to parliament but because there are widespread rumours of employees of National Harbours Board and Ports Canada not being offered jobs under the proposals presently before us?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I cannot accept the premise of the hon. member's preamble. I do not recognize his description of the placement policy as being the actual practice. I will certainly examine his question. I am sure the Minister of Transport will do so as well. In any event, I do not believe that is an accurate description of what is planned.

Mr. Forrestall: Mr. Speaker, I will direct my supplementary question to the Acting Minister of Transport. Will he draw to the attention of the minister that there is indeed some widespread concern? Also, will he suggest to the Minister of Transport that the other route be taken with regard to job security for employees of National Harbours Board and Ports Canada? Will he assure them that when this legislation is part of the law of Canada they will be given full opportunity to apply for jobs created under the new ports policy, if and when it is passed?

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FARM CREDIT CORPORATION**AWARDING OF CONTRACT TO MANITOBA INSTITUTE OF
MANAGEMENT—DISCLOSURE BY CHAIRMAN OF DIRECTORSHIP**

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I gave the Minister of Agriculture notice of my intention to raise this question. It arises from the decision by the chairman of the Farm Credit Corporation to award an untendered \$80,000 contract to the Manitoba Institute of Management, of which he was a director at the time. In view of the fact that the chairman sought the approval of the FCC's board only some months after awarding the contract, may I ask the minister whether the chairman in any way sought his approval prior to awarding the contract to MIM and did he at that time disclose to the minister the fact that he was a director of the consulting firm?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member's question is rather detailed. There has been

[Mr. Andras.]

a lot of discussion and insinuation with regard to what the chairman of the Farm Credit Corporation has or has not done. Under the authority vested in the Farm Credit Corporation, he can hire people to do studies and so on. I am told that the Manitoba Institute of Management is a non-profit organization. He did report to the board. In early May 1975, he reported to me that he was going to hire the institute. Some months after that, he asked for confirmation of the Farm Credit Corporation Board. He explained to them what he did. They condoned it at that time. As hon. members know, the Auditor General's report, which was handed to me within the past few days, clears the Farm Credit Corporation of any irregularities. The Auditor General certainly did not point out any irregularities to me. I have to go by what the board of directors say and what the Auditor General says. If the hon. member has any further information that is sound and factual, I would appreciate hearing it.

Mr. Beatty: Has the minister determined whether the chairman disclosed the fact that he was a director of the Manitoba Institute of Management at the time he asked the board to approve his decision?

Mr. Whelan: Mr. Speaker, the chairman of the Farm Credit Corporation informed me that he was a director of the MIM. He also submitted all his outside interests to the proper authorities in order to determine whether there was any conflict of interest. I take that for granted when I am informed that he has no conflict of interest. I do not have an investigation team that runs around and investigates everybody. I asked the present chairman to resign from a position in the province of Manitoba to accept this challenge. I did so because of his great ability. One of the finest books ever written on farm credit was done by him when he was an employee of the former Minister of Agriculture, the hon. member for Qu'Appelle-Moose Mountain.

**INTERNAL MANAGEMENT AUDIT BY SIBBALD GROUP—
GOVERNMENT ACTION**

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): The minister should know that the public declaration and public file by the chairman of the Farm Credit Corporation makes no reference to the fact that he was a director of the Manitoba Institute of Management. In view of the fact that the Sibbald Group report that grew out of the MIM study was highly critical of senior management of the Farm Credit Corporation and pointed out the serious deterioration in morale within the Farm Credit Corporation, can the minister tell the House what specific action he proposes to take to restore direction to this \$306 million corporation?

Hon. E. F. Whelan (Minister of Agriculture): As far as I am concerned, Mr. Speaker, the board of directors and management took prompt action on a study that they asked to be undertaken on the corporation itself. If one checks the minutes of the Standing Committee on Agriculture, one will see that from time to time members from both sides of this House have