

Oral Questions

ties. Upon consideration of them, it does appear that it is not appropriate for Mr. Thorsteinson to continue with this appointment.

I think the process has been duly served.

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PUBLIC WORKS

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I have in hand another statement of claim, I might add, filed in the Federal Court of Canada against Public Works. It concerns the lease of the Martel building in Ottawa which was terminated against the recommendation of Public Works staff in favour of another company represented by a prominent Conservative leasing agent.

I want to ask the government why did this lease change thereby favouring a leasing agent who was the chairman of the Prime Minister's dinner and who is also the Ottawa fund raiser for the leadership campaign of the Minister of the Environment?

Hon. Elmer M. MacKay (Minister of Public Works): Madam Speaker, I want to assure the hon. member that contrary to the premise of his question he is off on the wrong track on this one.

Public Works was asked to secure premises for the Atomic Energy Control Board. Expressions of interest, as I recall, were received from four or five interested parties. Subsequently a tender was called. The lowest tender was from Standard Life I believe. I will have to search my memory on this. However, I can assure the member of one thing. The leasing agent that he refers to had no part to play in the process whatsoever. It was done by Public Works in an open and transparent way. I would be pleased to give him all the background information.

As far as any statement of claim is concerned, my colleague is well aware that statements of claim and legal actions are very common on behalf of dissatisfied people who have not quite measured up to some of the tendering process. I would not put too much significance on that if I were he.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I guess this is the least that could be done for a Tory fund raiser.

[*Translation*]

According to the documents submitted, the transaction would cost Canadian taxpayers \$5 million more, and the name of this person is on both the letterhead of the Conservative Party's Canada Fund and on the Public Works Canada tender documents. These are not false allegations. This is the truth.

My question to the minister is this: How can he justify such action today when suppliers brought similar transactions to the government's attention three times in the past three or four weeks?

• (1435)

[*English*]

Hon. Elmer M. MacKay (Minister of Public Works): Madam Speaker, I repeat for my friend opposite that to the best of my knowledge the lowest tender was accepted. As a matter of fact I believe if he checks, the deal that was received from Standard Life was substantially less per square metre than the amount paid in the Martel building but I will have to check these facts.

I repeat that the leasing agent to whom the hon. member refers had nothing whatsoever to do with the process. As far as I know this transaction is entirely legitimate, entirely transparent. As the hon. member knows, I will be completely forthcoming in giving him whatever background information he requires.

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TELECOMMUNICATIONS

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, British Columbia Telephone has just announced the lay-off of 820 employees over the next four months. This is a direct result of the CRTC decision that allows competition in Canada's long-distance market.

BC Tel's plans to upgrade service to outlying areas apparently have also been moth-balled. Service levels particularly to rural areas in British Columbia are going to suffer.

Does the minister recognize that this government's allegiance to deregulation is in fact already costing Canadian jobs? Does he recognize that it is also jeopardizing the traditional quality of telecommunications service in Canada?