

# McCallum dismisses charges of political interference in helicopter bid process

STEPHEN THORNE

OTTAWA (CP) - Defence Minister John McCallum dismissed fresh charges Monday of political interference in the process to buy new naval helicopters, saying a scathing report by a senior military officer contained errors.

McCallum said he's read "every page" of the 34-page paper Col. Brian Akitt wrote during a six-month course on national security at Canadian Forces College last year. Akitt, former director of the Maritime Helicopter Project, called the process to replace the aging Sea King choppers an "abject failure." "I'm all in favour of academic freedom," McCallum, a former McGill University economics professor, told the House of Commons. "But I'm also aware of the freedom of academics to make mistakes.

"He does not deny at all the truth of the matter, which is that the statement of requirements was approved by the military leadership of the time. Nor does he detract from the second truth, which is that this statement of requirements was not changed one iota for political reasons."

McCallum was responding to questions from opposition MPs, who pounced on Akitt's assessment as more evidence the Liberals have bungled the process in their attempts to justify Prime Minister Jean Chretien's 1993 decision to cancel a deal with the makers of the EH-101 helicopter.

Ottawa ended up paying \$500 million in cancellation fees. Chretien argued that the previous Conservative government was buying "Cadillac" helicopters that were no longer necessary in the post-Cold War environment.

Akitt wrote that there has been so much political meddling in Ottawa's bid to buy new naval helicopters that the winning aircraft could end up offering less performance than the 40-year-old Sea Kings they're slated to replace.

Akitt accused the federal government of sacrificing the need for a safe and highly capable helicopter in an attempt to save political face.

The Sea Kings were supposed to be replaced in the 1990s, then by 2005, but will now be kept until early into the next decade.

Tory MP John Herron pressed McCallum to "commit to eliminating political interference rather than helicopter requirements so that Canada can receive the best possible helicopter."

McCallum rejected allegations that a special cabinet committee, created in 1999 and chaired by former deputy prime minister Herb Gray, made crucial changes to the procurement strategy in order to deny the contract to Cormorant, the company that made the chopper Chretien had cancelled.

The government announced in 2000 it would buy the new naval helicopters through two contracts: one for the aircraft itself, and another one for its electronic equipment.

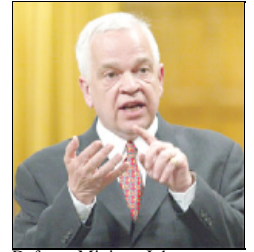
In a rare move, Ottawa decided to award the contracts to the lowest bidder, instead of the company that offered "best value."

That was seen as working against Cormorant, because its basic aircraft is more expensive than its competitors.

McCallum recently merged the tender, giving rise to allegations he did so to make it accessible to the French company Eurocopter. He rejected those charges, too, saying he was rectifying a "situation" created in 1999.

McCallum defended the decision to go for the lowest-cost helicopter, provided it meets the specifications set out by the government.

Akitt wrote that because of political intervention by Gray's committee, specifications for the new helicopters were diluted to the point where there is a "significant risk to a safe and credible operation."



Defence Minister John McCallum responds to questions regarding Canada's helicopters during Question Period in the House of Commons in Ottawa Monday. (CP/Jonathan Hayward)