

Oral Questions

a practice which had been going on for years and years, and so we cancelled it and saved the taxpayers in excess of \$500,000 each year. I think that is a tribute to them, and we should salute them for that.

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[Translation]

THE ADMINISTRATION

CONFLICT OF INTEREST—MINISTER OF FINANCE

Hon. Jean Chrétien (Saint-Maurice): I have a supplementary, Mr. Speaker. We made it quite clear yesterday that the Minister of Finance should have put an end to it the minute he heard about this contract. He did not and the contract was awarded by his Department through the Department of Supply and Services. Will the Prime Minister admit that in a similar case in this province, then Ontario Treasurer Darcy McKeough, a man of outstanding integrity, immediately handed in his resignation rather than raising doubts about a conflict of interest when, unknown to him, a family company had been given a permit? Does the Prime Minister not think that, in this case, he should ask for the resignation of his Minister of Finance so that there be no doubt left about the Minister's integrity and even his judgment?

Right Hon. Brian Mulroney (Prime Minister): First of all, Mr. Speaker, I must point out that, inadvertently I am sure, my colleague made a serious mistake when he said in his preliminary remarks that the contract has been awarded by the Minister of Finance. On the contrary, this was a Bank of Canada contract awarded by a different Minister altogether. I am being asked a hypothetical question concerning a Minister and an incident that occurred in Ontario. Well, here is a question for you: When the Minister of Finance, Mr. Lalonde, revealed a basic budgetary secret and dismissed the whole incident two minutes later by adding an extra \$200 million, should he have resigned? I, for one, think he should have.

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● (1420)

[English]

GOVERNMENT ADVERTISING

CIRCUMSTANCES SURROUNDING CONTRACT

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I do not think that it is a proper example at all. The Prime Minister referred to the Bank of Canada. The Prime Minister should know that the spokesman for the Bank of Canada in the House of Commons for all of the Bank's actions is the Minister of Finance. He should know that the Minister of Finance must meet with the Governor of the Bank of Canada every week. He should know that the assistant to the Minister had access to the communications between the Bank of Canada and his

Minister. That very assistant to the Minister was at that time the vice-president of the company that got a contract without bidding. Does the Prime Minister not believe that all these facts require the resignation of the Minister of Finance so that we may have a Minister of Finance who will not be under a cloud when preparing the next Budget?

Right Hon. Brian Mulroney (Prime Minister): If ever there was a series of facts that called for the resignation of a Minister of Finance, it was when Mr. Lalonde got caught showing his Budget and it cost the Canadian people \$200 million to falsify the facts. You defended Mr. Lalonde then, and I can tell you that you had no reason then. That is when a Minister of Finance should have resigned.

When a Minister of Finance should not resign is when he does nothing improper and nothing illegal, who in no way violates, directly or indirectly, the guidelines. That is the case of the present Minister of Finance whom I will defend in this House with pride, as will all Canadians.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S STATEMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Prime Minister mistakes the applause of his backbenchers for the approval of all Canadians. I can assure him that they are quite different.

Some Hon. Members: Oh, oh!

Mr. Tobin: Mr. Speaker, in responding to questions about the appropriateness of the resignation of his Minister of National Defence some time ago, the Prime Minister told the *Ottawa Citizen*:

Canadians quite properly, even though they know we are less than perfect, quite properly are entitled to ask the highest possible standards of their public servants and of their elected officials.

Is the Prime Minister telling Members of the House, and through Members, all Canadians, that he believes that Canadians believe it is appropriate for a relative of a Cabinet Minister to receive an untendered contract to do work for that Minister's Department?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am glad that the Hon. Member quoted the statement that I gave the *Ottawa Citizen* because I think it is one with which we would all agree.

When the question arose in the House—indeed before—which involved the Minister of National Defence, I can tell you with great personal sadness that I advised the Minister of National Defence that, because of those particular circumstances, indeed his resignation would be appropriate. I think it was an honourable day. He did nothing wrong, but it was an honourable day for Parliament. It was a rare day, given what has happened in the past here, when a man stood up and did precisely that.