

*Supply*

tremendous favour on the part of that company. It took place at the same time as the Minister's company was in receipt of loans from a Korean bank, a principal shareholder of which was that very Hyundai motor car company. That kind of highly questionable situation cannot be permitted to persist. It cannot be ignored. It cannot be examined by a Deputy Prime Minister and exonerated, with the people of the country being able to continue with a sense of integrity in this place.

Second, we had the case of Magna corporation, an extremely large, dynamic, and effective Canadian-owned company. Quite rightly, that company received large numbers of grants from the Department of Regional Industrial Expansion. However, it received those grants, which one has to consider were under the discretion of the Minister, in many cases at the same time as the spouse of the Minister was receiving help from the head of the Magna corporation to receive a \$2.6 million interest-free loan which was not to go to her company. This business of women's liberation and a woman being able to carry her own career is not at issue here. The money was received by their company, with the benefits very much going back to the Minister himself.

Finally, we had a situation, which frankly has been developing for some time, involving one corporate empire within the country. The Brascan group had succeeded in setting up a very considerable privileged position for itself in respect of divestments in the country through dominating four of seven positions on the CDIC divestment committee. Moreover, it had used that position, through the debate which took place in respect of the contents of the CDC privatization Bill, to obtain advantages in the details of that Bill for the potential of Brascan and the remainder of that empire to control and direct CDC itself. Again it was a favour and a privilege. At the same time this was taking place, the spouse of the Minister who resigned today was approaching the company to request a \$5 million loan.

That combination of mutual favouritism, which is all that we can call it, was simply so blatant as it became revealed to the people of the country that it was impossible for the Minister to continue. I give him credit for belatedly but finally reaching that conclusion. Let there be no mistake. This is not a fictional creation of the press and the Opposition. It is a set of facts which, put together, create an ironclad case which the Minister either had to answer in detail or resign, as he finally did this morning.

• (1510)

This whole case has done several things as well, Mr. Speaker. It has raised serious questions about the Code of Conduct dealing with conflict of interest which the Government has in place. It became clear to my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy) and myself as we talked with the Assistant Deputy Registrar General that the code did not include within it anything explicit enough concerning the question of conflict of interest where spouses

are concerned. It became clear as well that there was absolutely no specification in the code that a blind trust should be made something effective. It was also clear that the Assistant Deputy Registrar General had no authority himself to carry out investigations or any resources to do so. Moreover, the neutrality of the Assistant Deputy Registrar General was not sufficiently protected because of his ability to communicate as he did to the Deputy Prime Minister (Mr. Nielsen) with respect to opposition Members who approached him about this question. These are all points which quite clearly must be improved in the handling of conflict of interest in the future.

A second broad point that has emerged has to do with the Government's handling of this crisis. We have had stonewalling on the part of the Deputy Prime Minister and today caterwauling on the part of the House Leader. Neither has been appropriate. Stonewalling and the attempt to reject systematically legitimate questions which our constituents asked us to raise is not appropriate behaviour on the part of the Government. Nor is the kind of complaining, caterwauling objections to our attempt to be a responsible Opposition appropriate behaviour on the part of the Government House Leader (Mr. Hnatyshyn).

Despite this stonewalling, despite this caterwauling today, Parliament has nevertheless served its purpose, and we have once more seen the reason that we must have an effective Opposition, given its chance through the structure of the House, to make its case effectively.

This Opposition kept raising questions. This Opposition kept calling, despite the stonewalling, for inquiries. It kept fighting despite constant refusal from the Minister of a resignation that would respect the integrity of this place. It kept its commitment to the integrity which Parliament should represent. In doing so I think it served, in this case, the higher purpose, and I am proud to have been part of it.

**Mr. Deputy Speaker:** Are there questions or comments? If not, debate.

**Hon. James A. McGrath (St. John's East):** Mr. Speaker, for over a week now this House has been consumed with one issue. That issue has not been the problems affecting the food industry in Canada, and they are monumental, or problems arising out of the high level discussions taking place in Japan with the industrial Group of Seven, or Canada's acceptance to the so-called G-5, or trade talks with the Chinese. Nor has the issue been the seeking of new industrial development in China and new industrial capital in China and Korea. As important as these issues are, Parliament has been consumed with one single issue, that of conflict of interest guidelines and how a Minister has adhered to these guidelines.

In saying that, I am not suggesting for a moment that this is not an important issue. Obviously, events of the day speak to the importance of the issue. Because it is the subject of this debate and was the subject of the Question Period, and the fact that the Minister resigned, should that make it the one consuming issue that takes all other issues off the agenda? I