

*Oral Questions*

in *The Globe and Mail*, the morning of the twenty-ninth. When it appeared—and this is on the record—I immediately instructed the Deputy Prime Minister to meet with the Assistant Deputy Registrar General to examine this matter. I instructed the Deputy Prime Minister to meet with the then Minister. I met with the then Minister myself. I fully reported to the House in that regard.

On the basis of information and responses provided to us, the decisions we took at the time were appropriate. Clearly in the light and with the benefit of an 18 month royal commission, the evidence adduced during the life of that commission is different from the information imparted to us and of which we had knowledge that morning.

The article appeared when we arrived at the office and at two o'clock we were providing this House with the information that we did. The information that we provided the House with was all of the information that I think any reasonable person could have been expected to acquire in those time frames and with the instruments available to us.

Obviously there has been a change in the perception of a conflict of interest. I do not disagree with the assessment of the judge, given the benefit of his power of inquiry and the opportunity that he had to reflect upon this evidence, to bring down a value judgment in the course of an 18-month inquiry. But I am satisfied that I acted promptly and properly in advising the House as I did at that time.

MINGLING OF PUBLIC AND PRIVATE BUSINESS—TIMING OF REPORT

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I deeply regret the Prime Minister's answer. I am not referring to information that Judge Parker brought out in the course of his inquiry. I am not referring to any facts that came out after the twenty-ninth. I am talking about facts that became publicly available, particularly in this instance, that Mrs. Stevens had stated she had made this loan with someone with direct business dealings with her husband's Department. The Minister then admitted that he was aware of that loan on that day.

Given Judge Parker's very concise and, I think, accurate description of what a conflict of interest consists of and his talking about a co-mingling of private and public concerns, surely at that moment when it became public knowledge that that loan had been made to the wife of the Minister, the Prime Minister ought to have understood in the most basic sense that a conflict of interest existed from then on, and he ought to have demanded the resignation of the Minister. Why did he not demand that resignation then?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Hon. Member should not get exercised. The question deserves an appropriate response. He asks why. The answer is that the public official charged with ensuring compliance of the conflict of interest guidelines, the ADRG, provided the Deputy Prime Minister that very morning with

the assurance that the Minister in question was in full compliance with the guidelines.

Subsequent to that, in regard to other allegations in the story, there was a meeting between the Deputy Prime Minister and others and the then Minister for a careful examination, as there was with me, prior to coming to the House. I conveyed to the House all of the information imparted to me and to my colleagues, and the view of the ADRG.

I acknowledge, with the benefit of this Royal Commission's 18-months work, I can tell my hon. friend without reluctance that if I had had this kind of information available to me, or any semblance thereof, clearly I could have come to a different conclusion. On the basis of the evidence provided to us that day when I spoke to the House, prior to my departure the next day for the Far East, I gave my hon. friend and colleagues in the House all of the information that was made available to us, together with the value judgment expressed by the ADRG that the then Minister was in full compliance with the conflict of interest guidelines.

JUDGE'S FINDINGS—PRIME MINISTER'S POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, for whatever reason the Prime Minister is simply missing the point. I am talking not about what Judge Parker revealed. Judge Parker was well aware that he had no mandate to pass judgment on the Prime Minister in terms of his exercising his responsibility. Some of us wanted that included in the terms of reference, and the Prime Minister knows it was not included, but I want to give the Prime Minister Judge Parker's comments and ask him now if he thinks it was pertinent to the public knowledge that he had at the time? Judge Parker says:

The mingling of private and public business... that clearly involves a conflict of interest and is wrong by any measure.

● (1140)

Since the Prime Minister knew on the morning of April 29, 1986, that Mrs. Stevens had in fact obtained this interest-free loan from a person doing direct business with her husband's Department, does the Prime Minister not agree that Judge Parker's precise description of a conflict of interest applied then and there to the Member for York—Peel? If the Prime Minister does agree with that, why did he not demand his resignation then?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Hon. Member says that I knew something, presuming that I knew for certain that that was the truth. I did not know. What I did know was that there was an allegation made in a newspaper, and in political life there are many of these. It is incumbent that while we act thoroughly, we act with prudence, and that people at least be given the benefit of some degree of the presumption of innocence.

The newspaper allegation appeared the first thing in the morning. I immediately instructed the Deputy Prime Minister to meet with the ADRG who is responsible for ensuring