

*Oral Questions***THE ADMINISTRATION****CODE OF CONDUCT—MORTGAGE ON OTTAWA PROPERTIES—
MINISTER'S ALLEGED ROLE**

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Deputy Prime Minister regarding the Code of Conduct and conflict of interest guidelines for Ministers of the Crown. Is the Deputy Prime Minister aware that on February 18 of this year the Minister of State for Fitness and Amateur Sport gave a \$354,000 subordinated mortgage loan on two investment properties in downtown Ottawa at 494 and 504 Albert Street which are currently the subject of a controversial redevelopment application now before City Hall, and that on the same day he filed a statement with the official responsible for the Code of Conduct which makes no reference to this \$354,000 mortgage and gives no indication that it was handled through a blind trust?

In view of the risky nature of this investment can the Deputy Prime Minister tell the House whether speculative commercial mortgage lending is a permitted activity under the Government's Code of Conduct for Ministers of the Crown?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have had an opportunity to look into this issue briefly. I am advised, and I would like to inform the House, that the Minister had a 50 per cent interest in this building. It was sold. An interim mortgage has been arranged until August. However, the transaction for the sale has been completed. When the full payment is made in August the Minister will have no further interest in the building in question.

I do not think that this is a matter of hiding anything. Everything has been revealed to the ADRG. My understanding is that this particular transaction is fully consistent with the rules that have been outlined and that the Minister has complied with the spirit of the letter of the rules.

COMMERCIAL ACTIVITY QUERY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would remind the Deputy Prime Minister of the section of the code that specifically tells cabinet Ministers that outside of their official duties they must not actively manage or operate a business or commercial activity. While I appreciate the Minister's answer he must also be aware—and perhaps he is not—that the properties in question appear to be grossly over-mortgaged, except in light of a speculative effort by the new owners to redevelop them.

When a cabinet Minister makes a \$354,000 second or third mortgage loan, is that not a commercial activity which is in fact prohibited by the code? What action does the Government intend to take to enforce the code with respect to the Minister of State for Fitness and Amateur Sport?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Minister declared his interest. He has turned around and sold

the property. The corresponding notification has been put in place. As I said, I have looked into this matter in a preliminary way. I am advised that he is complying. But I will check further again and get back to the Hon. Member. I think that the Minister himself may wish to comment on the matter and raise it in the House himself when he returns.

**MINISTER'S COMPLIANCE WITH CONFLICT OF INTEREST
GUIDELINES**

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the two loans about which we are speaking. One thing that is important to know in order to ascertain whether the Minister complied with the conflict of interest guidelines or not is whether these two loans were entered into by a blind trust on behalf of the Minister, or whether the Minister himself lent the money directly with respect to these two buildings on Albert Street.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think I have indicated that I would attempt to ascertain all the facts. I also indicated that I am sure the Hon. Minister would be in the House to make any comment that he may wish to clarify the issue.

I only hope that the Hon. Member who has posed the question will abide by the guidelines and the code of conduct that have been suggested by his Leader, that is, before one starts suggesting wrongdoing and allegations—

Mr. Gauthier: Just asking questions. If you can't answer them, sit down.

Mr. Mazankowski:—Members should try to determine the facts.

Mr. McDermid: Nothing but innuendo!

Mr. Blackburn (Brant): You really should not have to go on the defensive.

Mr. Mazankowski: Is it not funny, Mr. Speaker, these people ask questions but are not prepared to listen to the facts? They are not even patient enough to find out the facts. I have undertaken to find out the facts—

Mr. Rossi: You are not giving any facts.

**POWER OF ATTORNEY ALLEGEDLY GRANTED TO MINISTER'S
WIFE**

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, in view of the good intentions of the Deputy Prime Minister to obtain more information and to come back to the House with details, I would ask him while he is at it to check whether it is right that on February 18, 1987, the Hon. Minister of State for Fitness and Amateur Sport granted a power of attorney to his wife, a certain Leata Jelinek, to act on his behalf in some of these matters, and whether she used this power of attorney to