

*Oral Questions*

back to this House to correct the misinformation given by his official and given by himself on November 1?

**Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)):** Mr. Speaker, the hon. member yesterday in a scum before the press was doing the honourable thing, he was being open with the media in saying what he understood.

What happened is that the hon. member was open and aired what he knew about this matter based upon what a middle-level official had told him verbally. Based on that, the minister said what he did.

It turns out today that the information that he was given by the official is at variance with the facts. The bank will be issuing a statement about that today.

What the hon. member should realize is what we need is freedom to pursue this, freedom not only for the senator but freedom for those who are concerned about this matter, and fairness. This, therefore, should go before the senator's peers and before the appropriate committee. This we are doing. If you believe in that fairness and that freedom, you should support that too.

**Mr. Kaplan:** Mr. Speaker, we have our responsibilities in this place, and I understand the minister to be agreeing that we do. It is in that spirit that I am asking these questions.

We are entitled to know, after that admission of misinformation to the House, whether these mistakes, if I can call them that, being made at the Federal Business Development Bank in favour of this close friend of the Prime Minister are mistakes that are being made for the benefit of the Prime Minister's friend or whether there is a general laxity in operation at the Federal Business Development Bank.

In the same interview on October 31, the official of the Federal Business Development Bank said that the bank had been told by a lawyer that it could deal with the senator's firm whether or not one of its members was a senator. Who was the lawyer? Where did that legal advice come from? Why did the bank not come forward and correct that as soon as it knew that that statement was certainly not the law?

• (1120)

**Mr. Hockin:** Mr. Speaker, the course of these questions prove how impossibly unfair the hon. member is in pursuing this on the floor of the House. What must

happen is that this thing be fully aired before a proper committee of the Senate.

On the specific point that the hon. member raised, the chairman and the president of the FBDB have made it clear from the beginning that billable work by senators is not to be done for the FBDB. This has been made clear from the beginning and they have made it clear to all of their employees.

**Mr. Kaplan:** Mr. Speaker, I am not asking questions that should be directed to the senator. I am asking questions that should be directed to the minister who is a member of this place and is responsible for the operation of the Federal Business Development Bank, and where else should they be asked?

In the House on October 31, the Minister of Regional Industrial Expansion told us:

— the Federal Business Development Bank has hired the law firm of Lapointe Rosenstein on many occasions going back over a couple of decades.

Today in *The Globe and Mail*, a spokesman for the bank corrects that and says that the bank first used Lapointe Rosenstein for legal work in early 1985.

This is the place, and I am asking now of that minister, who gave the misinformation to the Minister of Regional Industrial Expansion who told us the other day that work for Lapointe Rosenstein goes back a couple of decades? Where does that misinformation come from?

**Mr. Hockin:** Mr. Speaker, what the hon. member is trying to do is quote a middle level official against other officials in the bank. This whole thing—

**Some Hon. Members:** Oh, oh!

**Mr. Hockin:** What he is trying to do is do something that should properly be explored in a Senate committee.

Let me answer his question directly. We know that the hon. member himself is a lawyer, has probably been a member of a law firm. This particular firm has dozens and dozens of lawyers. We will have to do a computer search to find out how far back individual lawyers did work for the FBDB.

You understand that when you act as an agent for the FBDB, it can be on a matter as small as a \$10,000 loan to something large. That firm clearly is a major firm in Montreal. It has a number of partners who very clearly could have done work for the FBDB. They will have to search their files to see how far it went back. It is clear