

Supply

China and his Deputy Prime Minister and his Minister of Regional Industrial Expansion are grovelling in the mud trying to defend the scandal here in Canada.

Mr. Gauthier: He is on the Wall and they are stonewalling.

Mr. Turner (Vancouver Quadra): Why did the Prime Minister react? It was not because he had a sudden attack of morality. He must have received the polls. He must have been on the phone to Allan Gregg who is more responsible and more powerful than any Minister on the front benches. He probably told him: "Get out of this thing before you come home". The Government tried to ride it out. It put the Deputy Prime Minister in charge and tried to ride it out. I am now convinced that unless a lack of proper conduct is discovered by the public or by Parliament, unethical as it may be, it will be tolerated by the Prime Minister. The morality of the matter is irrelevant. The polls are very relevant. The shedding of his image on his foreign trip is very relevant.

This issue here is the morality of Government and our confidence and trust in our democratic institutions. Freedom is a very fragile thing. Cynicism can eat away at it. Cynicism and lack of proper conduct in public office can erode it. That is what has been happening. The Prime Minister hopes to come home clean. He is contriving not to have to face the music when he steps into this Chamber in a few days. I do not believe it is going to work. Even the resignation of his Minister will not rescue the lost ethical standards of the Government.

The issue goes right to the heart of the Government and right to the Prime Minister himself. Why is this type of conduct tolerated? Why was the Minister not asked to resign immediately? Why did the Government try to ride it out? Why were the Ministers not forthcoming, particularly the Minister in question? Why was the Conservative majority on two committees of Parliament used to close down and clamp an investigation? The Hon. Member for St. John's East (Mr. McGrath) is here. We support his reform. Why was the committee system not used for what it should be used?

I know Members of Parliament on the Government side cannot be feeling good this morning. This is not a good day for the country, nor is it a good day for Parliament. It is not a good day with respect to the way we run our affairs. However, despite it all, despite the largest majority in Canadian history, the truth is out. The Minister has resigned. It has been a great victory for Parliament.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, this is a very unfortunate debate to have to take place in the House of Commons now in May of 1986, or at any time. I want to say at the outset, having heard what the Minister said this morning, that in my judgment, rarely, if ever, has a Minister so failed to make a distinction between his private interests and his public responsibilities as in the case of this Minister. Rarely, in my judgment, has a resignation been more appropriate. This resignation, however, ought not to have happened today, but two weeks ago at the earliest. In that interim, I want to say

now, the Minister violated not simply the guidelines in terms of the issue of appearances, but the substance of the guidelines, and I will come to that in a moment.

Before doing so, I want to say that the performance of the Government for the past two weeks has been totally lamentable. Whatever the Minister knew before April 29, he did know on April 29 that his wife had obtained a \$2.6 million loan with no interest charged in the first year and with incredible terms after that. He knew that that loan was made with people intimately connected with his own Department and that he was doing continuing business as a Minister with the same individuals. Any Minister with a sense of responsibility ought to have on that very day submitted his resignation.

I also want to say that what we have heard in the interim is a stonewalling from the Deputy Prime Minister (Mr. Nielsen). Day after day the man who assumed responsibility for the guidelines, instead of ensuring that his Cabinet lived up to them and that the dignity of Parliament was respected, gave us stonewalling. We got more than that. It was suggested that Members of the Opposition who raised questions were not interested in jobs in Quebec. It was also suggested that we did not want new investment in Cape Breton Island. There were all types of spurious, erroneous, irrelevant and unjust arguments made by the Government in defence of its very unjust case. That is what Members of the Government were up to.

• (1140)

Some Hon. Members: Hear, hear!

Mr. Broadbent: I also want to say that the Prime Minister (Mr. Mulroney), who is away, cannot be absolved of responsibility. I am assuming that he did not hear the news before the rest of us heard it. I will even assume that he did not hear of Mrs. Stevens' loan before Mr. Stevens himself heard of it. However, as Prime Minister, before his departure for Japan, Korea and China when he heard of the nature of the loan to the wife of this Minister who had ongoing responsibilities with people and individuals intimately involved in his personal financial affairs, a Prime Minister who has a sense of probity, ought to have said right at that moment: "Mr. Stevens, I need your resignation, and I need it now". That is what he ought to have done.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The following is something which I wish to emphasize. If that had been done two weeks ago, then Mr. Stevens' credibility as a Minister might well have been preserved, and as has already been pointed out by the Leader of the Official Opposition (Mr. Turner), if the Government had acted at the proper time, the credibility of Mr. Stevens down the road might have been preserved.

As has also been pointed out by the Leader of the Official Opposition, we on this side of the House have not said at all that there was any dishonesty involved or any criminal wrongdoing. We are not aware of any, nor have we suggested