

Supply

There will be those calling for the further strengthening and updating of the guidelines. However, apart from the guidelines, what we have here is unethical conduct. It is not possible to codify the whole range of human behaviour. We cannot codify and try to predict every possible conflict and every possible ambit of how a Minister may or may not react in the conduct of his public duty. We must rely on individual judgment, on the ethics of the position and on the understanding by Ministers that they cannot allow their private activities, gain or benefit to interfere with the impartial operation of their public office.

Time does not permit me to outline the whole range of facts that have come to the attention of Parliament. We know about the \$2.6 million loan that was solicited successfully by Mrs. Stevens on behalf of her husband, through a company with which her husband was then dealing for tax incentives and grants from the federal treasury. Where was the benefit? An interest-free loan is an obvious benefit and amounted to some \$314,000 at interest rates at the time the loan was successfully obtained. The very fact of obtaining the loan was a benefit because the Minister and his wife obviously were unsuccessful at getting credit elsewhere. They had already approached the brokerage houses and investment bankers on Bay Street in Toronto in an attempt to get a capital injection, but failed. Presumably, they approached the banks. Finally, they had to go to a company with whom the Minister was dealing to see whether they could get enough liquidity to keep the company going.

There is the earlier \$3 million loan from the Korean bank of which 40 per cent of the shares are owned by the Hyundai motor car company which the Minister brought into this country. It is that company from which the Minister freed the requirement of Canadian content and the provision of jobs, all the usual guidelines and rules that are applied within the auto industry to ensure Canadian content. All of that was forgiven; all of that was waived. Was there consideration? We do not know because the Minister has not answered. I believe we can establish that there was clear benefit.

We now have to deal with the second issue of the so-called blind trust. The Minister, on the rare occasions that he spoke, and the Deputy Prime Minister said that the official in the Registrar General's Department assured them that the necessary documentation had been made and the affairs had been put in a blind trust. We asked that National Trust, apparently the blind trustee, be called before the appropriate committee of the House of Commons. The chairman and the Conservative majority on that committee refused to allow that to happen.

Where was the arm's length approach that would constitute a blind trust? The Minister's wife was actively dealing on his behalf for his property or their jointly held property. The Minister tries to maintain that he had no knowledge of that. It strains the belief of the Canadian people that a wife dealing in favour of their jointly held property would not have told her husband about a loan in the amount of \$2.5 million that she

successfully obtained in order to preserve the liquidity of their prime asset in life. No one believes it. No one believes that a husband and wife, in a matter so important to them, would not have talked about that at some time. Knowledge or no knowledge, I do not understand why she would have done it anyway. Surely her conduct is subject to some type of review, and I am sure we have not heard the end of that. She was actively dealing on the Minister's behalf. Together with the Minister's former campaign manager, who was also an officer of York Centre, the Minister's wife visited the investment houses on Bay Street. It is these same houses that were vying for the job of adviser to the Minister on the privatization of some Crown corporations, such as de Havilland, Canadair, CDC and Teleglobe. The very firms seeking that business are the firms that were visited by the Minister's wife. Did she say what the *quid pro quo* would be, or was it so implicit in their conversations that the investment houses knew they had to receive her into their offices and talk to her? I will not discuss names because we do not have the full facts.

This matter has not ended this morning. We will look into the interlocking directorships that give some companies an inside track with CDC. The decision as to who would advise and whose bid would be accepted is cozily decided by a group of men and women having close connections to the Minister. Some of them were even appointed by the Minister to the functions that allow them to make those choices and give that advice. It is self-dealing by insiders. It is rotten, and the people of Canada do not have to put up with it at all.

Let us examine the Deputy Prime Minister's defences, one by one. His first defence is that the Minister fulfilled the guidelines. I believe I have convinced Your Honour, having read the particular guidelines, that those were not satisfied. Certainly, in terms of the letter, they were not satisfied and certainly the ethical spirit of the guidelines were rudely, blatantly and ruthlessly contravened.

The Deputy Prime Minister says that the documentation was in order. He expects us to believe that the case has ended because an official in the Department of the Registrar General says that everything is in order. The problem was not with the documentation. The problem concerns the conduct. What did the Minister's wife do? What did the Minister know? Why were these dealings even contemplated?

I say once again that the guidelines are not a complete code of human behaviour because such a code is not possible. We are talking about ethical spirit and the judgment behind the conduct of the Minister's wife and the Minister.

The second line of defence by the Minister was that the deal with Magna Corporation was a Liberal deal. He maintained that all the grants for Magna were agreed to by an administration under my authority in August, 1984. We pointed out to the House in Question Period that that was a Memorandum of Understanding signed by the former Minister, Ed Lumley. It was an over-all umbrella agreement. According to the terms of that agreement, every specific grant and item had to be negotiated by a Minister in the future and had to be approved