

[Translation]

Who paid for that and why? In order to answer these questions—I understand that this may hurt some hon. members' feelings—perhaps we should examine together what the election funds scandals in Canadian history have established—those at least which could not be kept secret and exploded in the open.

The following appeared in the April 3, 1972 issue of the *Ottawa Citizen*:

[English]

Election funds tied to scandal, record proves.

The report of the parliamentary committee on election expenses (1966) . . . found ample cause for concern in the present method of financing political parties by contributions of big businesses . . . Some of the more famous referred to by the committee are:

1872—Prime Minister Macdonald (Pacific scandal).

1891—McGreevy scandals (kickbacks from contractors in Quebec).

1906-07—Parliamentary scandals (called by the committee the most scandal-ridden parliament on record).

1930—Beauharnois scandals (contract kickbacks).

Referring specifically to the Beauharnois scandal, the committee said, "It revealed that \$700,000 to \$900,000 had been given by the Beauharnois Corp. to the previous Liberal government, and that an extremely valuable government contract had been given to the corporation. It was in many ways one of the worst scandals in Canadian history, and one which rose directly out of campaign fund corruption."

The committee, for obvious reasons, was ignored, but its report remains for the record.

[Translation]

Again, Mr. Speaker, here is what appeared in the August 1, 1969 issue of the *Globe and Mail* concerning a \$40,000 gift to the election fund: That was in the United States.

[English]

The House of Representatives Banking and Currency Committee will make a full-scale investigation into lobbying by banks after finding that a committee member, although deeply in debt, received an unsecured \$40,000 loan at a preferred rate from a large New York bank.

The loan was made as the committee was about to consider legislation vital to banking interests.

Committee chairman Wright Patman announced the investigation yesterday and charged that the committee's proposed bill on one-bank holding companies, passed over his protest, was not in the public interest.

New York Congressman Seymour Halpern, who last December was granted \$40,000 loan by the First National City Bank of New York, was one of 15 Republican committee members who voted for the bill last month . . .

Mr. Patman said that for years the powerful banking lobby has been eager to do big favours for committee members. "They have been offered huge blocks of bank stock—free of charge—and directorships on bank boards.

[Translation]

Again, Mr. Speaker, in an editorial of the June 4, 1973 issue of the *Ottawa Journal* appeared another story, this time in Ontario and involving the party which represents the official opposition.

● (1610)

[English]

The *Globe and Mail* says the Ontario Progressive Conservative party is re-organizing its fund raising methods.

Election Expenses

The newspaper says William Kelly, the party's chief fund raiser and a key figure in the Fidinam affair last fall, will not have such a central role . . .

It was revealed last fall that a development company, Fidinam (Ontario) Ltd., had given Mr. Kelly a political donation of \$50,000 shortly after receiving a government contract to build new offices for the Workmen's Compensation Board.

[Translation]

Mr. Speaker, there are also some other extremely interesting reports, such as the one published in the *Toronto Star* of April 15, 1972, concerning the chief bagman for the Liberal party. That article was written by Mr. John Doig who met Mr. John Morrow Godfrey.

[English]

The two older parties' heavy almost exclusive reliance on big business for their campaign dollars as well as their continuing administrative expenses worries Godfrey because it is "bad" for a government and its major opposition to depend "on one segment of society" . . .

He calls on corporations . . .

He tells them it is in the interests of the corporations, as well as the country, to assure the efficient functioning of a "two-party, free enterprise system."

[Translation]

Mr. Speaker, this is extremely interesting and I see that the Minister of Energy, Mines and Resources (Mr. Macdonald) is applauding as he learns that corporations exist to keep him in office, applaud in the House and look after their interests.

[English]

Executives of American-owned companies sometimes tell the bagmen that it is illegal for corporations in the U.S. to give money to political parties.

"I talk to them like a Dutch uncle," Godfrey says, eyes twinkling. "I tell them they're operating in Canada and I tell them it's an honest government. It may be misguided—but it's honest."

Godfrey also suggests, he says, that corporations should "give exactly the same to the Liberals and the Tories."

[Translation]

The man responsible for raising funds for the Liberal party tells corporations: You ought to give exactly the same amount to both the Liberal and the Progressive Conservative parties.

This, Mr. Speaker, confirms what we have been saying for a long time inside and outside the House, that both are so alike that they are being given the same amount. It is Mr. Godfrey, the chief bagman for the Liberal party, who keeps singing that tune while soliciting big corporations or doing public relations work on behalf of political parties. Then, they will tell us that we are politically independent, that we have the right to say what we want.

Mr. Speaker, I am short of time to dwell further on the extensive information which I have on the matter. One has to be quite credulous or else seriously implicated to believe that huge contributions are made by civic-minded individuals. During the investigation on organized crime in Quebec, it has been discovered that some questionable organizations had officially stated that they had contributed to electoral funds. It is no secret that banks also give tidy sums to electoral funds to protect the system which favours them.

The recipients of patronage also contribute to electoral funds because they want to stay on the receiving end. I